

CITY OF SYRACUSE, NEW YORK

**Financial Statements as of
And for the Year Ended
June 30, 2025**

**Together with Independent Auditor's Report and
Report Required by
*Government Auditing Standards***

CITY OF SYRACUSE, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

February 26, 2026

To the Honorable Mayor, Sharon Owens
and the Members of the Common Council
City of Syracuse, New York

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Syracuse, New York (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Syracuse, New York, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation and Syracuse Regional Airport Authority, which represent 98% of the assets and 98% of the net position of the aggregate discretely presented component units as of June 30, 2025 and 95% of the revenues for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 14 to the financial statements, in the year ended June 30, 2025, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORT

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Statements, Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2026, on our consideration of the City of Syracuse, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Syracuse, New York's internal control over financial reporting and compliance.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

Our discussion and analysis of City of Syracuse's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2025.

Please read it in conjunction with the City's basic financial statements, including the notes to the financial statements, which begin on page 33. In this discussion and analysis, all amounts are expressed in thousands of dollars, unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year, the total assets and deferred outflows of \$2,248,935 exceeded total liabilities and deferred inflows of \$2,083,820 resulting in a surplus of \$165,115 (total net position).
- Total net position at June 30, 2025 consisted of an unrestricted deficit of \$734,304 which is offset by positive net position balances of \$793,652 of net investment in capital assets and \$105,767 of restricted net position.
- Total general and program revenues for the fiscal year ended June 30, 2025 were \$1,113,323 compared to total expenses of \$979,434 resulting in an increase to total net position of \$139,345 as a result of this year's operations.
- For fiscal year 2025, total revenues for governmental activities were \$1,083,976 compared to \$1,056,037 for fiscal year 2024. For the same periods, total revenues for business-type activities were \$34,803 and \$34,613, respectively.
- General Fund's revenues (including operating transfers in and other financing sources) were \$331,085 for the fiscal year while General Fund expenditures (including operating transfers out) were \$329,428 causing an increase of \$1,657 in the General Fund's fund balance.
- The total fund balance for the General Fund at June 30, 2025 is \$137,146. Of that total, \$114,918 is unassigned. The unassigned fund balance of the General Fund as a percentage of total General Fund 2025 expenditures (including operating transfers out) is 34.9%.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 19 and 20 provide information about the activities of the City as a whole and present a longer-term view of the City's finances from a government-wide perspective. Fund financial statements start on page 21. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 4. This section attempts to illustrate whether the City's financial position is improving or deteriorating as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that allows the user to determine if the City's financial condition has improved or deteriorated in comparison with the previous fiscal year. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

The Statement of Net Position and Statement of Activities report the City's net position and changes to it. The City's net position is the difference between assets (what the citizens own) and liabilities (what the citizens owe), which serves as one way to measure the City's financial health. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base, and the condition of the City's capital assets (streets, buildings, and water and sewer lines) to assess the overall financial health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three types of activities:

- **Governmental activities** - Includes the majority of City's basic services, such as police, fire, public works, community development, urban development, parks & recreation departments, and general administration. The City School District's operations are also reported here. These activities are primarily supported by taxes and intergovernmental revenues.
- **Business-type activities** - The City charges a fee to customers to help cover all or most of the cost of certain services it provides. Charges for these services are intended to allow the service to be self-supporting. The City's water and sewer systems are the business-type activities.
- **Component units** - The City includes four separate legal entities in its report: the Syracuse Industrial Development Agency, the Syracuse Economic Development Corporation, the Syracuse Regional Airport Authority and the Greater Syracuse Property Development Corporation.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 12. The fund financial statements begin on page 21 and provide detailed information about the most significant funds – not the City as a whole.

Some funds are required to be established by State law. Additionally, the City Council establishes other funds for specific purposes (i.e. the Local Development Fund), or to fulfill legal and contractual responsibilities for the use of certain taxes, grants, and other money (i.e. grants received from the U.S. Department of Housing and Urban Development). All funds of the City can be separated into three categories: governmental, proprietary, and fiduciary.

- **Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine the amount of financial resources that can be spent in the near future to finance the City's programs. We describe the relationship and differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation accompanying the fund financial statements.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

- *Proprietary funds* - When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information. A statement of cash flows is presented for all proprietary funds.
- *Fiduciary funds* – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the City cannot use these assets to finance the City's operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 29 and 30.

Government-wide Analysis

The City's total net position increased from a surplus balance of \$65,586 at June 30, 2024, to a surplus of \$165,115 at June 30, 2025. The following analysis focuses on *Table 1 – Condensed Statement of Net Position – Primary Government* of the City's governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 630,878	\$ 606,165	\$ 17,419	\$ 13,153	\$ 648,297	\$ 619,318
Capital assets	1,100,419	1,084,401	\$ 131,922	127,290	1,232,341	1,211,691
Total assets	1,731,297	1,690,566	149,341	140,442	1,880,638	1,831,009
Total deferred outflows of resources	362,128	300,121	6,170	4,076	368,298	304,197
Total bonds payable	407,054	436,428	44,194	47,299	451,248	483,727
Other long-term liabilities	1,192,498	967,955	35,244	28,791	1,227,742	996,746
Other liabilities	136,058	150,488	12,227	3,686	148,285	154,174
Total liabilities	1,735,610	1,554,870	91,665	79,777	1,827,275	1,634,647
Total deferred inflows of resources	252,657	424,980	3,889	9,992	256,545	434,972
Net invested in capital assets	710,150	512,959	83,503	79,990	793,653	592,949
Restricted	105,201	87,994	565	1,176	105,766	89,170
Unrestricted (deficit)	(710,193)	(590,116)	(24,111)	(26,416)	(734,304)	(616,533)
Total net position	\$ 105,158	\$ 10,836	\$ 59,957	\$ 54,750	\$ 165,115	\$ 65,586

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest positive balance of the City's total net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure); less any related debt still outstanding that was used to acquire those assets. At June 30, 2025, this balance was \$793,652 versus \$592,949 at June 30, 2024. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities.

The other positive balance of \$105,766 at June 30, 2025, represents resources that are subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position, unrestricted net position may be used to meet the government's ongoing obligations and services to creditors and citizens, especially in the future. For the City, the balance of unrestricted net position as of June 30, 2025 was a deficit of \$734,304, versus a deficit at June 30, 2024 of \$616,533.

The primary cause for the deficit is the requirement that municipalities report a liability for the unfunded cost of providing post-employment benefits to employees. For the City, this represents the probable cost of providing subsidized health insurance for retirees combined with the potential for currently active employees to receive this benefit. This calculation was performed by an independent actuarial firm to arrive at a potential total liability for the potential benefit to be paid out based on the life expectancy of the present retired and active employee pool. This figure represents the total estimated cost of providing the benefit to all employees over many years. The amount reported for this liability at June 30, 2025, was \$933,650 and related deferred inflows of resources and deferred outflows of resources were \$161,670 and \$186,990 respectively.

In fiscal year ending June 30, 2025 the City adapted GASB statement 101 regarding the recording of liability for Compensated Absences. This required restating the beginning net position. The net position for governmental activities was restated from a surplus of \$10,836 to a deficit of \$28,263, while net position for Business type activities was restated from a surplus of \$54,750 to a surplus of \$54,033.

Governmental Activities

Total net position of the City's governmental activities increased from a deficit of \$28,263 at June 30, 2024 as restated, to \$105,158 at June 30, 2025, an increase of \$133,421. Unrestricted net position decreased \$120,076 from a deficit of \$590,116 at prior fiscal year-end compared to a deficit of \$710,193 at current fiscal year-end.

Business-Type Activities

In fiscal year 2025, total net position of City's business-type activities increased by \$5,924 with \$2,306 of that an increase in unrestricted net position. Total net position increased to \$59,957 at June 30, 2025, compared to \$54,033 at prior year-end as restated while the unrestricted deficit balance for business-type activities increased to a deficit balance of \$24,111 from a deficit balance of \$26,416 over the same period.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

Government-wide Analysis

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on page 20. Key elements of this change are illustrated in *Table 2 - Condensed Statement of Activities - Primary Government* on the following page.

For the current year, total revenues were \$1,118,779, an increase of \$28,129, or 2.6%, over prior year total revenues of \$1,090,650. The primary program and general revenue increases, compared to prior year revenue balances, that contributed to this increase were:

- \$4,745 in settlement funds for outstanding Workers Compensation cases
- \$7,246, or 15.0% in Capital grants and contributions
- \$13,983, or 2.6% in Unallocated State aid

These revenue increases were partially offset by decreases. Primary contributors to this decrease were:

- \$774, or 27.9% in Unallocated Federal aid
- \$1,705, or 11.0% in Use of money and property due to falling interest rates

For the current year, total expenses were \$979,434, an increase of \$58,589, or 6.4%, compared to prior year total expenses of \$920,845. The primary drivers of this increase were in General government support with an increase of 27.4%, or \$9,824, and in Economic opportunity and development of 56.4%, or \$1,178.

CITY OF SYRACUSE, NEW YORK

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

*Table 2 - Condensed Statement of Activities - Primary Government
(000's Omitted)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenue:						
Program Revenues:						
Fees, fines, and charges	\$ 24,164	\$ 23,188	\$ 34,070	\$ 32,486	\$ 58,234	\$ 55,674
Operating grants and contributions	171,412	179,082	-	-	171,412	179,082
Capital grants and contributions	54,863	46,216	693	2,094	55,556	48,310
General Revenues:						
Property taxes and tax items	130,463	121,473	-	-	130,463	121,473
Sales and use taxes	122,153	120,476	-	-	122,153	120,476
Other taxes	5,041	5,161	-	-	5,041	5,161
Unallocated state aid	551,471	537,488	-	-	551,471	537,488
Unallocated federal aid	2,004	2,778	-	-	2,004	2,778
Use of money and property	13,822	15,536	41	32	13,863	15,568
Workers Compensation Settlement	4,745	-	-	-	4,745	-
Sale of property and compensation for loss	711	-	-	-	711	-
Miscellaneous	3,125	4,641	-	-	3,125	4,641
Total revenues	<u>1,083,975</u>	<u>1,056,037</u>	<u>34,804</u>	<u>34,612</u>	<u>1,118,779</u>	<u>1,090,650</u>
Expenses:						
Program Expenses:						
General government support	45,629	35,805	-	-	45,629	35,805
Public safety	183,152	176,829	-	-	183,152	176,829
Transportation	26,393	24,507	-	-	26,393	24,507
Economic opportunity and development	(911)	(2,089)	-	-	(911)	(2,089)
Home and community services	39,919	40,309	-	-	39,919	40,309
Culture and recreation	8,590	5,327	-	-	8,590	5,327
Education	639,426	606,373	-	-	639,426	606,373
Interest on long-term debt	11,697	13,183	-	-	11,697	13,183
Water	-	-	21,450	16,988	21,450	16,988
Sewer	-	-	4,088	3,612	4,088	3,612
Total expenses	<u>953,895</u>	<u>900,244</u>	<u>25,538</u>	<u>20,600</u>	<u>979,434</u>	<u>920,844</u>
Excess of revenues over expenses	<u>130,079</u>	<u>155,793</u>	<u>9,266</u>	<u>14,012</u>	<u>139,345</u>	<u>169,805</u>
Transfers	3,341	2,825	(3,341)	(2,825)	-	-
Change in net position	<u>133,420</u>	<u>158,618</u>	<u>5,925</u>	<u>11,187</u>	<u>139,345</u>	<u>169,805</u>
Net position (deficit) - beginning	10,836	(147,782)	54,750	43,563	65,586	(104,219)
Restatement	(39,099)	-	(717)	-	(39,816)	-
Net position - beginning as restated	(28,263)	-	54,033	-	25,770	-
Net position (deficit) - ending	<u>\$ 105,157</u>	<u>\$ 10,836</u>	<u>\$ 59,958</u>	<u>\$ 54,750</u>	<u>\$ 165,115</u>	<u>\$ 65,586</u>

Total revenues for the current year were in excess of total expenses resulting in a positive change in net position of \$139,345 compared to a positive change in net position of \$169,805 for the prior year, a decrease of \$30,460.

The following analyses separately consider the operations of governmental and business-type activities.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

Governmental Activities

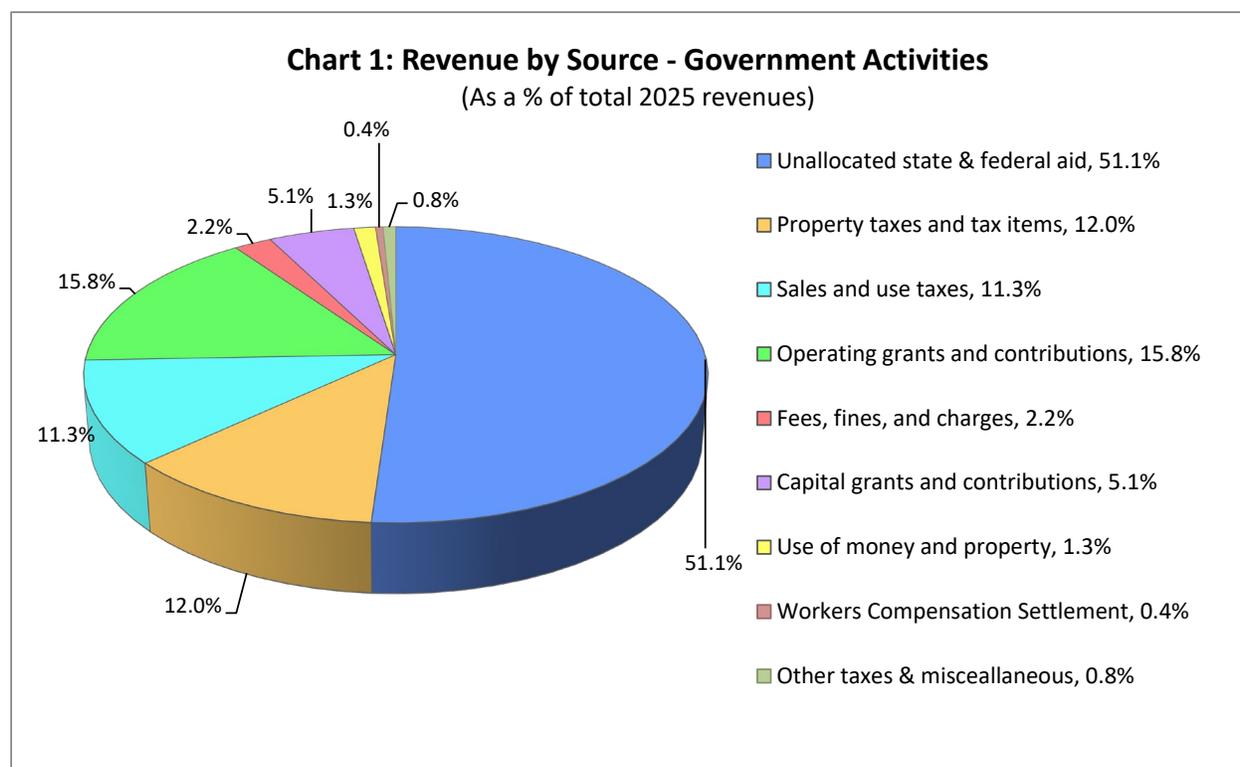
As mentioned previously in the FINANCIAL HIGHLIGHTS section, revenues for the City's governmental activities for the current year were \$1,083,975 compared to total revenues of \$1,056,037 in the prior year, an increase of \$27,938, or 2.6%. The primary program and general revenue increases, compared to prior year revenue balances, that contributed to this increase were:

- \$4,745 in a settlement to resolve outstanding Workers Compensation claims
- \$8,647, or 18.7%, in Capital grants and contributions

Significant decreases offsetting the increases include:

- \$774, or 27.9%, in Unallocated Federal aid
- \$1,516, or 32.7%, in Miscellaneous revenue

See *Chart 1: Revenue by Source – Governmental Activities* for each major revenue source as a percentage of total revenues for the current year.



For the current year, total program expenses for governmental activities were \$953,895 which was an increase of \$53,651, or 6.0%, over prior year total expenses of \$900,244. The primary program expense increases, compared to prior year expenses, that contributed to this increase were:

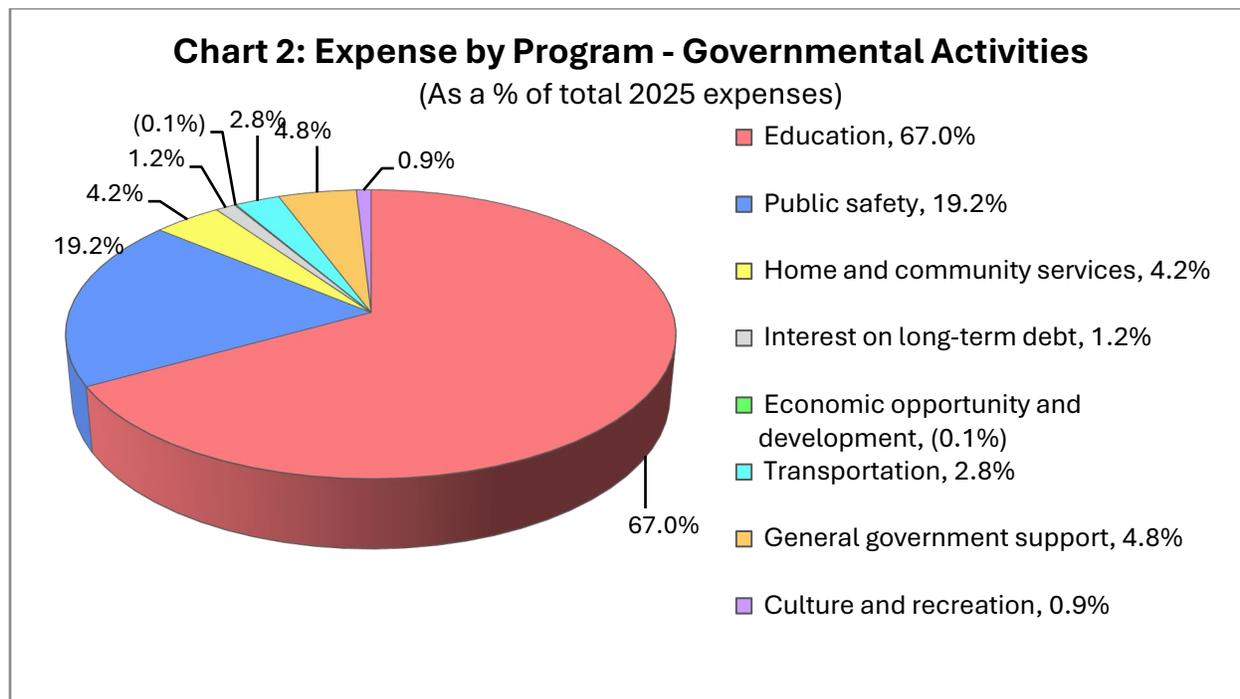
- \$3,262, or 61.2% in Culture and Recreation
- \$1,872, or 56.4% in Economic Opportunity and Development
- \$33,053, or 5.5% in Education

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

These expense increases were partially offset by decreases across the board. A significant decrease was to Interest on the long-term debt of \$1,486 or 11.3% compared to the prior year.

See *Chart 2: Expense by Program – Governmental Activities* for each major program expense as a percentage of total expenses for the current year.



Total revenues for governmental activities in the current year were in excess of total governmental activities expenses resulting in a positive change in net position (after transfers) of \$133,421 compared to a positive change in net position (after transfers) of \$158,618 for the prior year, a decrease of \$25,197.

Business-Type Activities

For the current year, total revenues for business-type activities were \$34,803, which was an increase of \$191, or 0.6%, compared to total revenues of \$34,613 in the prior year. Capital grants and contributions decreased \$1,401, or 66.9%, compared to prior year.

For the current year, total program expenses for business-type activities were \$25,538 which was an increase of \$4,938, or 24.0%, compared to prior year total expenses of \$20,600. Sewer and Water expenses increased \$476, or 13.2%, and \$4,462, or 26.3%, respectively, in the current year compared to prior year.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

Total revenues for business-type activities in the current year were in excess of total expenses for business-type activities resulting in a positive change in net position (after transfers) of \$5,924 compared to a positive change in net position (after transfers) of \$11,187 in the prior year, a decrease of \$5,263.

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending as of the end of the fiscal year.

During fiscal 2024-2025 the Joint Schools Construction Board Fund, which had previously been included with major Governmental Funds, decreased in value and activity such that it is presented as a Nonmajor fund. The resultant adjustment to beginning fund balances is illustrated on page 22.

At June 30, 2025, the City's Total Governmental Funds' fund balance is \$446,613, which is an 0.9% increase from last year's total of \$442,550. The \$4,063 increase in total fund balance is primarily due to a \$23,314 increase in Nonmajor Governmental Funds, offset by decreases of \$14,802 in the City School District General Fund and \$5,916 in the City's Capital Projects Fund.

Of the total \$446,613 in Total Governmental Funds' fund balance, \$114,918 of fund balance is available for spending at the government's discretion (unassigned fund balance). \$105,201 of fund balance is subject to external, legally enforceable restrictions on its use (restricted) while \$224,817 is allocated by ordinance or through intent to be used for specific purposes (committed and assigned). The remainder of \$1,676 is non-spendable: This includes inventories, prepaid items and bequests that must remain intact.

- *General Fund* - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$114,918 while total fund balance was \$137,146. As a measure of the General Fund's liquidity, it's useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For the current year, unassigned fund balance as a percentage of total General Fund expenditures (including operating transfers out) of \$329,429 is 34.9% while the General Fund's total fund balance represents 41.6% of that same amount. The City's General Fund's fund balance increased by \$1,657 during the current year. The adopted budget for the fiscal year ended June 30, 2025, budgeted a net deficiency of \$19,250, or a draw of that amount from the General Fund's unassigned fund balance to balance higher budgeted expenditures against lower budgeted revenues. An analysis of the variance is presented in the section titled General Fund Budgetary Highlights.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

- *Joint Schools Construction Board Fund* - The Joint Schools Construction Board Fund is a School District Fund that accounts for activities relating to the refurbishment of educational facilities in the City of Syracuse. The Joint Schools Construction Board was formed through an agreement between the City of Syracuse and the Syracuse City School District to administer the activities of this project. During the year ended June 30, 2025, It was determined that this fund no longer is required to be enumerated distinctly. The fund balance is reported with Nonmajor Governmental Funds for the year ended June 30, 2025.
- *Special Revenue - City School District General and Special Aid Funds* – The major Special Revenue funds (City School District General Fund and City School District Special Aid Fund) are comprised of the School District's general operating fund and the special aid fund. The combined total fund balance at the end of the current year was \$209,739 compared to a combined total fund balance of \$224,730 in the prior year. The decrease of \$14,991 in fund balance for the two Special Revenue funds in the current year is due to higher total expenditures (including other financing uses) of \$664,234 compared to lower revenues (including other financing sources) of \$649,243.
- *Capital Projects Fund* - The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major asset purchases, excluding projects related to business-type activities, which are accounted for in each business-type activity. The entire balance of the fund is required to be used in the completion of City capital projects. The fund balance at the end of the current fiscal year was \$15,439, a decrease of \$5,916. The decrease was due to the excess expenditure of \$70,580 (including other financing uses) over revenues (including other financing sources) of \$64,664. The School District Capital Projects Fund continues to be treated as a non-major government fund.
- *Neighborhood and Business Development Special Revenue Fund* - The Neighborhood and Business Development Fund is a special revenue fund used to account for the community development programs and projects primarily funded by the U.S. Department of Housing and Urban Development. The fund accounts for its revenue and expenditures using grant accounting; therefore, revenues are accrued as the expenditures are incurred. During the current year, the fund recorded \$9,902 in both revenues and expenditures while the fund recorded \$9,989 in the prior fiscal year for revenues and expenditures. At June 30, 2025, total assets and liabilities of the fund were \$20,647 while at the end of the previous fiscal year, total assets and total liabilities were \$17,386.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Included in the City's proprietary funds are two enterprise funds which consist of the Water and Sewer Funds. The net position of the enterprise funds at the end of the current year totaled \$59,957, an increase of \$5,207, compared to the prior year end balance of \$54,750 as previously reported. For the current year, the Water and Sewer Funds had an increase in net position of \$3,189 and \$2,018, respectively. At the beginning of the year, net position of the Water and Sewer funds were restated for GASB 101 implementation resulting in a decrease in net position at the beginning of the current year for the Water and Sewer funds of \$563 and \$153.

Internal Service Fund - The Aviation Fund is treated as an Internal Service Fund effective with fiscal year 18-19. Net position at June 30, 2025 was \$115,584, a decrease of \$9,809 from the prior year-end.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

General Fund Budgetary Highlights

According to the City Charter, the City must adopt its budget no later than May 8 of each year for the ensuing fiscal year beginning on July 1. The City's General Fund original budget for the fiscal year ended June 30, 2025, included estimated revenues of \$318,029 and annual appropriations of \$308,547.

Please refer to page 83 for the Statement of Revenues, Expenditures and Encumbrances – Budget and Actual (Budgetary Basis) for presentation of the General Fund original budget and final budget. See *Table 3 – General Fund – Condensed Budget to Actual* for summary budget to actual information for the General Fund.

The actual performance of the General Fund resulted in an excess for the current year of \$28,911, as compared to a final adopted budget with a projected excess of \$9,482. This favorable variance of \$19,429 was driven by a number of increases in projected revenues as well as decreases in budgeted expenditures.

For the current year, total General Fund revenues were \$326,341 which was \$8,312, or 2.6%, higher than the budgeted total revenues for 2025 of \$318,029. The primary revenues with favorable variances, compared to the current year budget, were:

- \$9,342 or 10.3% in Federal and State aid, and other grants
- \$1,620 or 12.2% in Departmental revenues

The primary revenues with unfavorable variances, compared to the current year budget, were:

- \$5,427, or 8.4%, in General property taxes and tax items
- \$1,013 or 60.0% in Sale of property and compensation for loss

Offsetting favorable and unfavorable variances, compared to the budget, comprise the remaining favorable variance of \$3,790.

\$

CITY OF SYRACUSE, NEW YORK

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

<i>Table 3 - General Fund - Condensed Budget to Actual</i>		
(000's Omitted)		
	2025	2025
	Actual	Budget
Total revenues	\$ 326,341	\$ 318,029
Total expenditures	297,429	308,547
Excess (deficiency) of revenues over expenditures	28,912	9,482
Proceeds from leases/SBITAs	1,202	-
Operating transfers in	3,542	3,542
Operating transfers out	(31,912)	(32,274)
Total other financing sources (uses)	(27,168)	(28,732)
Effect of Encumbrances	(87)	
Change in fund balance	\$ 1,657	\$ (19,250)

For the current year, total General Fund expenditures were \$297,429 which was \$11,117, or 3.6%, lower than the budgeted total expenditures for 2025 of \$308,547. The primary expenditures with favorable variances, compared to the current year budget, were:

- \$4,813, or 17.0%, in Transportation
- \$5,693, or 3.0%, in Public Safety

Offsetting favorable and unfavorable variances for the other expenditure categories, compared to the budget, comprise the remaining favorable variance of \$611.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities for the current year-end was \$1,232,341 compared with the previous year-end amount of \$1,211,691. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, construction in progress, right-to-use leased assets, and subscription-based information technology arrangements (SBITAs).

The City's governmental capital assets (net of accumulated depreciation) at June 30, 2025, were \$1,100,419 compared to \$1,084,401 at prior year-end. For the City's business-type activities, Net capital assets at June 30, 2025 were \$131,922 compared to a balance of \$127,290 at the end of the prior year.

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

Please refer to Note 4 in the notes to the basic financial statements for more detailed information regarding capital assets and accumulated depreciation.

Expenses related to capital assets which are constructed over more than one fiscal year are capitalized each fiscal year as "construction in progress" and are not depreciated. Upon completion of construction of a particular capital asset, the total for the asset is reclassified from construction in progress to its proper depreciable category (i.e. buildings, machinery and equipment, improvements/infrastructure). See *Table 4 – Capital Assets (net of depreciation/amortization)* for summary information for the City's capital assets.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 18,768	\$ 18,768	\$ 4,485	\$ 4,485	\$ 23,253	\$ 23,253
Buildings	553,108	600,370	417	461	553,525	600,831
Machinery and equipment	42,681	33,035	1,112	1,295	43,793	34,330
Improvements/infrastructure	259,391	245,739	102,659	98,805	362,050	344,543
Construction in progress	219,511	185,167	23,248	22,244	242,759	207,410
Right-to-use leased assets	6,810	1,093	-	-	6,810	1,093
SBITAs	150	230	-	-	150	230
Total capital assets, net	<u>\$ 1,100,419</u>	<u>\$ 1,084,401</u>	<u>\$ 131,922</u>	<u>\$ 127,290</u>	<u>\$ 1,232,341</u>	<u>\$ 1,211,691</u>

Long-Term Debt

At the end of the current year, the City had \$451,247 in total debt compared to \$483,727 at the end of the prior year, a decrease of \$32,480, or 6.71%. See *Table 5 – Outstanding Debt – Primary Government* below for a breakdown of bonds and notes by governmental activities and business-type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds payable - City	\$ 154,631	\$ 157,991	\$ 24,129	\$ 26,034	\$ 178,760	\$ 184,025
General obligation bonds payable - District	252,423	278,437	-	-	252,423	278,437
Constructions bonds payable - City	-	-	20,065	21,265	20,065	21,265
Total debt	<u>\$ 407,054</u>	<u>\$ 436,428</u>	<u>\$ 44,194</u>	<u>\$ 47,299</u>	<u>\$ 451,247</u>	<u>\$ 483,727</u>

With respect to City general obligation bonds, total new debt issued during the year was \$19,769. Proceeds were used to finance capital expenditures. Projects funded with these proceeds listed on the following page.

The City had a rating of A1 from Moody's Investors Service at June 30, 2025.

The New York State Constitution imposes a debt limit of 9 percent of the most recent five-year average of full valuation of taxable real estate in the City. Certain specified types of obligations are excluded. The limit as of fiscal year end was \$623,424, which is above the City's outstanding general obligation debt after exclusions.

CITY OF SYRACUSE, NEW YORK

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Purpose of Funding	Issued
24/25 Municipal Sidewalks	2,250,000
24/25 Apparatus Replace-Ladder	2,000,000
24/25 Unimproved Streets/Slurry	1,600,000
23/24 Municipal Sidewalks	1,500,000
23/24 Parking Garage Rehab	1,250,000
24/25 Water Main Replacement	1,100,000
Acquire Property at 516 Prospect Ave.	585,000
24/25 Fire Vehicle Replacement	626,923
Outer Eastwood Sanitary Sewer	537,500
FY24 Fire Facility Upgrade	500,000
E Brighton Ave Paving Project	471,400
24/25 Parks Vehicles Replacem	425,000
23/24 Spirit of Jubilee Stage	406,629
24/25 Complete Streets	400,000
24/25 Parks Lighting Upgrades	370,000
FY24 Parks Additional Vehicles	346,467
23/24 Vacant Land Management	325,000
23/24 Parks Pools Improvements	300,000
23/24 Tree Pits Enhancements	299,500
23/24 Sweeping and Flushing Equipment	269,000
16/17 Garage Elevator Upgrades	250,000
FY25 Pump Station Replacement	250,000
Midland Ave. Paving Project	233,300
23/24 City-Owned Buildings	230,000
23/24 Hiawatha Lake Wall Addit	225,000
FY25 Parks Sidewalks Improveme	200,000
FY25 Parks Inner Harbor CIP	185,000
24/25 Parks Splashpad Improvem	175,000
24/25 Street Lighting Program	160,000
23 Interstate Lighting Upgrade	150,000
24-25 Training Simulator Progr	150,000
FY24 Parks Backhoe Loader	150,000
FY25 Tree Planting	150,000
FY25 Fire Communications Upgra	125,000
FY25 Tree Pit Enhancements	115,000
23/24 Parks Facility Improveme	110,000
FY24 Tree Planting	108,000
23/24 Parks Playground Add Imp	95,000
24/25 Parks Facility Improveme	90,000
Fire Emergency Replace Mini-17	88,788
Fire Engine SE8 repairs	85,730
23/24 Parks Monuments & Founta	85,000
Kirk Park Pedestrian Bridge	78,000
24/25 City Owned Buildings	75,000
FY25 Thornden Park Picnic Shel	75,000
FY25 Mini 10 Emergency Repairs	72,887
FY24 McKinley Park Pavilion	66,333
James Street Paving Project	63,600
FY24 Parks Sidewalk Improvemen	58,000
23/24 Parks Lighting Upgrades	51,000
22/23 Legacy Street Lighting	50,000
24/25 City Owned Sidewalks	50,000
23/24 Radar Sign Program	30,000
Erie Blvd E. Paving Improvemen	25,750
FY24 Upper Onondaga Playground	25,000
24-25 Emerg Repairs -Engine 17	24,443
Fire Engine TE2 Emergency Repa	20,109
Rte 175 Onondaga Creek Bridge	15,750
Teall Ave County Project	15,000

19,769,109

CITY OF SYRACUSE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Syracuse has several economic factors that affect the ability of the City to address local fiscal growth or stability. These factors include:

- Reliance on state aid for the City and the City School District
- Reliance on local retail activity as a source of sales tax
- A dependent school district resulting in high mandated costs and aging buildings
- Significant increases in employee health care costs
- High retirement system costs (see notes to the financial statements for more information.)

In setting the June 30, 2026 fiscal year budget, the City portion of the property tax levy increased by \$4,103, from \$54,866 in fiscal year 2025 to \$58,970 in fiscal year 2026. The School District portion of the levy was unchanged in fiscal year 2026 at \$68,445. The actual combined property tax levy of the City and School District increased to \$127,415 compared with the previous year of \$123,312. The City and School District combined property tax rate for fiscal year 2026 is \$28.2613 per \$1,000 of assessed property value (\$13.1323 for the City and \$15.1290 for the School District).

Revenues and Expenditures for fiscal year 2025 are projected to decrease \$4,042, or 1.1%, compared to the previous year's budget and expenditures are projected to decrease \$4,041, or 1.1%, compared to the prior year's budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City of Syracuse's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact the office of the Commissioner of Finance at City Hall, Room 128, 233 East Washington Street, Syracuse, New York 13202.

The City School District is a blended component unit of the City and issues a separate financial statement. To obtain this report, contact the Chief Financial Officer of the Syracuse City School District at 1025 Erie Blvd. West, Syracuse, New York 13204-2749. The Joint Schools Construction Board is also a blended component unit that has a separately issued financial statement. To obtain this report contact the Commissioner of Finance, City Hall, Syracuse, New York 13202.

The Syracuse Industrial Agency (SIDA), Syracuse Economic Development Corporation (SEDCO), The Syracuse Regional Airport Authority and The Greater Syracuse Property Development Corporation are discretely presented component units with separately issued financial statements. To obtain reports for SIDA and SEDCO, contact the Department of Neighborhood and Business Development at City Hall Commons, Syracuse, New York 13202.

To obtain the financial report for the Syracuse Regional Airport Authority, contact the Airport Authority at Syracuse International Airport, 1000 Colonel Eileen Collins Boulevard, Syracuse, New York, 13212.

To obtain a financial report for the Greater Syracuse Property Development Corporation contact the Greater Syracuse Property Development Corporation at 431 East Fayette Street, Suite 375, Syracuse, New York 13202.

CITY OF SYRACUSE, NEW YORK

**Statement of Net Position
June 30, 2025**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash, cash equivalents and investments	\$ 284,388,457	\$ 10,193,000	\$ 294,581,457	\$ 68,320,185
Accounts receivable, net	15,699,076	6,646,746	22,345,822	3,215,185
Restricted cash, cash equivalents and investments	66,358,903	565,240	66,924,143	52,042,345
Loans receivable - current portion	-	-	-	1,942,463
Notes receivable - current portion	-	-	-	506,930
Lease receivable - current portion	403,775	-	403,775	1,084,424
Other receivable	-	-	-	360,620
Taxes receivable, net	7,788,004	-	7,788,004	-
Due from business-type activities	2,034,852	-	2,034,852	-
Due from other governments	200,962,335	14,371	200,976,706	616,970
Due from component units, net	376,534	-	376,534	-
Inventory	1,445,065	-	1,445,065	585,268
Other assets	14,797	-	14,797	965,209
Prepaid expenses	221,329	-	221,329	523,109
Loans receivable, net of current portion	14,727,024	-	14,727,024	7,884,701
Notes receivable, net of current portion	-	-	-	3,878,698
Lease receivable, net of current portion	2,662,984	-	2,662,984	8,987,098
Net pension asset	33,794,526	-	33,794,526	-
Capital assets, non-depreciable	238,278,685	27,733,873	266,012,558	23,896,303
Capital assets, depreciable, net	862,139,825	104,188,120	966,327,945	74,690,761
Total assets	1,731,296,171	149,341,350	1,880,637,521	249,500,269
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - debt refunding	255,915	79,960	335,875	-
Deferred outflows - OPEB	182,772,041	4,217,643	186,989,684	2,345,117
Deferred outflows - pensions	179,100,280	1,871,948	180,972,228	2,413,898
Total deferred outflows of resources	362,128,236	6,169,551	368,297,787	4,759,015
LIABILITIES				
Accounts payable and accrued expenses	63,218,013	3,753,255	66,971,268	16,358,241
Accrued interest	2,570,555	191,250	2,761,805	-
Due to other governments	1,805,040	-	1,805,040	-
Amounts due to retirement systems	39,091,994	270,133	39,362,127	-
Unearned revenue	7,126,664	-	7,126,664	680,883
Due to governmental activities	-	2,034,852	2,034,852	-
Bond anticipation notes payable	2,000,000	5,600,000	7,600,000	-
Other liabilities	5,951,278	377,664	6,328,942	-
Due to fiduciary funds	1,009	-	1,009	-
Loans payable	14,293,533	-	14,293,533	-
Long-term liabilities - due within one year	104,332,455	7,345,146	111,677,601	3,275,528
Long-term liabilities - due in more than one year	1,495,219,307	72,092,671	1,567,311,978	49,772,486
Total liabilities	1,735,609,848	91,664,971	1,827,274,819	70,087,138
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - lottery aid	10,916,667	-	10,916,667	-
Deferred inflows - OPEB	157,949,621	3,720,065	161,669,686	10,216,727
Deferred inflows - pensions	49,751,383	168,657	49,920,040	258,313
Deferred inflows - leases	34,038,842	-	34,038,842	10,071,522
Total deferred inflows of resources	252,656,513	3,888,722	256,545,235	20,546,562
NET POSITION				
Net investment in capital assets	710,149,565	83,502,776	793,652,341	67,410,105
Restricted	105,201,312	565,240	105,766,552	51,885,672
Unrestricted	(710,192,831)	(24,110,808)	(734,303,639)	44,329,807
Total net position	\$ 105,158,046	\$ 59,957,208	\$ 165,115,254	\$ 163,625,584

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Statement of Activities
For the Year Ended June 30, 2025**

	Net (Expense) Revenue and Changes in Net Position						Component Units	
	Program Revenues				Primary Government			
	Expenses	Fees, Fines and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		Total
PRIMARY GOVERNMENT:								
Governmental Activities:								
General government support	\$ 45,628,991	\$ 2,197,769	\$ 7,462,866	\$ -	\$ (35,968,356)	\$ -	\$ (35,968,356)	-
Public safety	183,151,994	11,482,579	23,552,803	-	(148,116,612)	-	(148,116,612)	-
Transportation	26,393,236	6,702,314	170,545	54,125,527	34,605,150	-	34,605,150	-
Economic opportunity and development	(910,567)	-	557,642	-	1,468,209	-	1,468,209	-
Home and community services	39,919,143	2,493,035	15,319,123	737,484	(21,369,501)	-	(21,369,501)	-
Culture and recreation	8,589,687	764,380	487,757	-	(7,337,550)	-	(7,337,550)	-
Education	639,426,233	524,416	123,861,717	-	(515,040,100)	-	(515,040,100)	-
Interest on long-term debt	11,696,757	-	-	-	(11,696,757)	-	(11,696,757)	-
Total governmental activities	<u>953,895,474</u>	<u>24,164,493</u>	<u>171,412,453</u>	<u>54,863,011</u>	<u>(703,455,517)</u>	<u>-</u>	<u>(703,455,517)</u>	<u>-</u>
Business-Type Activities:								
Water	21,450,325	27,269,000	-	693,008	-	6,511,683	6,511,683	-
Sewer	4,088,094	6,800,622	-	-	-	2,712,528	2,712,528	-
Total business-type activities	<u>25,538,419</u>	<u>34,069,622</u>	<u>-</u>	<u>693,008</u>	<u>-</u>	<u>9,224,211</u>	<u>9,224,211</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	\$ 979,433,893	\$ 58,234,115	\$ 171,412,453	\$ 55,556,019	(703,455,517)	9,224,211	(694,231,306)	-
COMPONENT UNITS:								
Syracuse Industrial Development Agency	\$ 1,586,215	\$ 968,202	\$ -	\$ -	-	-	-	(618,013)
Syracuse Economic Development Corporation	185,414	-	1,233,008	-	-	-	-	1,047,594
Syracuse Regional Airport Authority	55,694,065	67,701,340	-	28,360,845	-	-	-	40,368,120
Greater Syracuse Property Development Corporation	5,839,416	1,405,647	-	4,301,949	-	-	-	(131,820)
TOTAL COMPONENT UNITS	\$ 63,305,110	\$ 70,075,189	\$ 1,233,008	\$ 32,662,794	-	-	-	40,665,881
Property taxes and tax items					130,462,989	-	130,462,989	-
Sales and use taxes					122,152,790	-	122,152,790	-
Other taxes					5,041,456	-	5,041,456	-
Unallocated state aid					551,470,663	-	551,470,663	-
Unallocated federal aid					2,004,042	-	2,004,042	-
Use of money and property					13,822,313	40,526	13,862,839	2,328,301
Contributions					-	-	-	190,787
Workers Compensation Settlement					4,745,300	-	4,745,300	-
Sale of property and compensation for loss					711,001	-	711,001	-
Miscellaneous					3,125,251	-	3,125,251	88,491
Transfers					3,340,750	(3,340,750)	-	-
Total general revenues and transfers					<u>836,876,555</u>	<u>(3,300,224)</u>	<u>833,576,331</u>	<u>2,607,579</u>
Changes in net position					<u>133,421,038</u>	<u>5,923,987</u>	<u>139,345,025</u>	<u>43,273,460</u>
NET POSITION - beginning of year, as previously reported					10,836,236	54,749,985	65,586,221	120,568,725
Restatement - Note 14					(39,099,228)	(716,764)	(39,815,992)	(216,601)
NET POSITION - beginning of year, as restated					<u>(28,262,992)</u>	<u>54,033,221</u>	<u>25,770,229</u>	<u>120,352,124</u>
NET POSITION - end of year					<u>\$ 105,158,046</u>	<u>\$ 59,957,208</u>	<u>\$ 165,115,254</u>	<u>\$ 163,625,584</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Balance Sheet - Governmental Funds
June 30, 2025**

	Special Revenue						Total Governmental Funds
	General Fund	Capital Projects Fund - City	Joint Schools Construction Board (formerly major)	City School	City School	Nonmajor Governmental Funds	
				District General Fund	District Special Aid Fund		
ASSETS							
Cash, cash equivalents and investments	\$ 49,589,729	\$ -	\$ -	\$ 230,580,006	\$ -	\$ 4,218,722	\$ 284,388,457
Restricted cash and cash equivalents	4,105,865	9,268,381	-	4,641,189	-	48,343,468	66,358,903
Loans receivable	-	-	-	-	-	14,727,024	14,727,024
Accounts receivable	4,035,381	29,579	-	3,269,801	5,718,216	2,646,099	15,699,076
Taxes receivable, net	3,982,439	-	-	3,446,744	-	358,821	7,788,004
Due from other funds	52,905,620	-	-	5,132,681	-	46,079,935	104,118,236
Due from other governments	60,720,884	42,140,210	-	42,518,937	22,635,797	32,946,507	200,962,335
Due from component units	-	-	-	-	-	376,534	376,534
Inventories	-	-	-	739,911	-	705,154	1,445,065
Other assets	-	-	-	-	-	14,797	14,797
Prepaid expenditures	-	-	-	197,997	23,332	-	221,329
Lease receivable	3,066,759	-	-	-	-	-	3,066,759
Total assets	\$ 178,406,677	\$ 51,438,170	\$ -	\$ 290,527,266	\$ 28,377,345	\$ 150,417,061	\$ 699,166,519
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenditures	\$ 14,893,715	\$ 8,561,828	\$ -	\$ 27,232,603	\$ 6,230,895	\$ 6,298,972	\$ 63,218,013
Due to other funds	-	26,547,503	-	23,001,693	18,395,683	34,139,514	102,084,393
Due to other governments	584	-	-	533	1,749,698	54,225	1,805,040
Amounts due to retirement systems	9,161,691	-	-	29,789,532	-	140,771	39,091,994
Self-insurance claims	6,989,578	-	-	769,871	-	-	7,759,449
Unearned revenue	134,548	889,910	-	-	-	6,102,206	7,126,664
Bond anticipation notes payable	-	-	-	-	-	2,000,000	2,000,000
Loans payable	-	-	-	-	-	14,293,533	14,293,533
Other liabilities	3,897,547	-	-	-	1,970,734	82,997	5,951,278
Total liabilities	35,077,663	35,999,241	-	80,794,232	28,347,010	63,112,218	243,330,364
Deferred inflows of resources:							
Deferred inflows - unavailable revenue	3,115,925	-	-	24,329	-	3,015,994	6,156,248
Deferred inflows - leases	3,066,759	-	-	-	-	-	3,066,759
Total deferred inflows of resources	6,182,684	-	-	24,329	-	3,015,994	9,223,007
Fund Balance:							
Nonspendable	-	-	-	937,908	23,332	715,154	1,676,394
Restricted	7,715,020	9,268,381	-	4,637,213	7,003	83,573,695	105,201,312
Committed	-	6,170,548	-	32,815,185	-	-	38,985,733
Assigned	14,513,217	-	-	171,318,399	-	-	185,831,616
Unassigned	114,918,093	-	-	-	-	-	114,918,093
Total fund balance	137,146,330	15,438,929	-	209,708,705	30,335	84,288,849	446,613,148
Total liabilities, deferred inflows of resources and fund balance	\$ 178,406,677	\$ 51,438,170	\$ -	\$ 290,527,266	\$ 28,377,345	\$ 150,417,061	\$ 699,166,519

CITY OF SYRACUSE, NEW YORK

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2025

Total fund balances for governmental funds	\$ 446,613,148
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets (including right-to-use lease assets), net of associated accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported in the funds	953,861,965
Pension obligation activity:	
Net pension liability/asset	(134,700,188)
Deferred outflows of resources	179,100,280
Deferred inflows of resources	(49,751,383)
Other postemployment benefit activity:	
Total other postemployment benefit liability	(905,031,923)
Deferred outflows of resources	182,772,041
Deferred inflows of resources	(157,949,621)
Revenue collected after year end and not available to pay for current year expenditures and deferred in funds	6,156,248
Long-term liabilities, including bonds payable, lease liabilities, compensated absences, judgments and claims, self-insurance claims, and other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(518,265,676)
Deferred charges relating to debt refunding not reported in the funds	255,915
Deferred inflows related to District lottery aid not reported in the funds	(10,916,667)
Accrued interest not reported in the funds	(2,570,555)
The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position	<u>115,584,462</u>
Total net position of governmental activities	<u>\$ 105,158,046</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025**

			Special Revenue				Total Governmental Funds
	General Fund	Capital Projects Fund - City	Joint Schools Construction Board (Formerly major)	City School District General Fund	City School District Special Aid Fund	Nonmajor Governmental Funds	
REVENUES:							
General property taxes and tax items	\$ 59,127,027	\$ -	\$ -	\$ 64,862,230	\$ -	\$ 6,889,204	\$ 130,878,461
Sales and use taxes	121,145,765	-	-	1,007,025	-	-	122,152,790
Other local taxes	4,238,793	-	-	-	-	802,663	5,041,456
Departmental revenues	14,927,551	-	-	-	-	-	14,927,551
Intergovernmental charges	611,954	-	-	-	-	-	611,954
Licenses and permits	4,425,880	-	-	-	-	-	4,425,880
Fines and forfeitures	4,199,391	-	-	-	-	-	4,199,391
Sale of property and compensation for loss	676,350	-	-	22,834	-	11,817	711,001
Use of money and property	11,914,650	39,513	-	1,484,834	-	383,316	13,822,313
Federal and state aid and other grants	100,114,605	43,639,170	-	469,075,074	105,669,284	57,826,855	776,324,988
Pass-through New York State funding from District	-	-	-	-	-	34,552,662	34,552,662
Surplus food	-	-	-	-	-	1,112,096	1,112,096
Sales-School Food Service program	-	-	-	-	-	94,094	94,094
Workers Compensation Settlement	4,745,300	-	-	-	-	-	4,745,300
Other revenues	213,581	742,558	-	1,582,751	-	962,783	3,501,673
Total revenues	326,340,847	44,421,241	-	538,034,748	105,669,284	102,635,490	1,117,101,610
CURRENT EXPENDITURES:							
General government support	56,835,622	-	-	-	-	8,695,832	65,531,454
Public safety	181,931,286	-	-	-	-	5,579,710	187,510,996
Transportation	23,514,863	-	-	-	-	3,540,430	27,055,293
Economic opportunity and development	-	-	-	-	-	574,671	574,671
Home and community services	18,528,383	-	-	-	-	15,319,123	33,847,506
Culture and recreation	14,448,150	-	-	-	-	434,017	14,882,167
Education	-	-	-	503,161,824	98,329,888	136,715	601,628,427
Principal debt payments	801,058	-	-	363,700	-	43,458,135	44,622,893
Interest on debt	255,190	-	-	23,963	-	16,545,337	16,824,490
Capital outlays	1,202,033	70,566,799	-	758,291	-	20,333,557	92,860,680
Food Service Program	-	-	-	-	-	17,071,945	17,071,945
Pass-through New York State funding to JSCB	-	-	-	34,552,662	-	-	34,552,662
Total expenditures	297,516,585	70,566,799	-	538,860,440	98,329,888	131,689,472	1,136,963,184
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	28,824,262	(26,145,558)	-	(825,692)	7,339,396	(29,053,982)	(19,861,574)
OTHER FINANCING SOURCES (USES):							
Bond proceeds	-	12,800,109	-	-	-	5,619,000	18,419,109
Premium on bonds	-	-	-	-	-	586,257	586,257
Premium on bond anticipation notes	356	-	-	-	-	11,440	11,796
Proceeds from leases/SBITAs	1,202,033	-	-	365,207	-	-	1,567,240
Operating transfers in	3,542,040	7,442,750	-	4,408,300	765,328	50,024,056	66,182,474
Operating transfers out	(31,912,046)	(13,540)	-	(18,750,302)	(8,293,206)	(3,872,630)	(62,841,724)
Total other financing sources (uses)	(27,167,617)	20,229,319	-	(13,976,795)	(7,527,878)	52,368,123	23,925,152
CHANGE IN FUND BALANCE	1,656,645	(5,916,239)	-	(14,802,487)	(188,482)	23,314,141	4,063,578
FUND BALANCE - beginning of year, as previously reported	135,489,685	21,355,168	9,063,068	224,511,192	218,817	51,911,640	442,549,570
Adjustment - changes in major and nonmajor funds	-	-	(9,063,068)	-	-	9,063,068	-
FUND BALANCE - beginning of year, as restated	135,489,685	21,355,168	-	224,511,192	218,817	60,974,708	442,549,570
FUND BALANCE - end of year	\$ 137,146,330	\$ 15,438,929	\$ -	\$ 209,708,705	\$ 30,335	\$ 84,288,849	\$ 446,613,148

CITY OF SYRACUSE, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 4,063,578

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report all capital outlays as expenditures. However, in the Statement of Activities, the cost of certain assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation or amortization expense and losses on disposals in the current period. 20,159,104

Bond proceeds and premiums, as well as lease liabilities, are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. 30,167,214

Governmental activities recognize revenue based on economic resource measurement. Fund activities utilize current financial resources. This is the amount of revenues reported in the statement of activities, but not reported as revenue in the governmental funds. (391,143)

Pension income (expense) resulting from the pension obligation is not recorded in the governmental funds but is recorded in the Statement of Activities. 7,522,654

Other postemployment benefits income (expense) resulting from other postemployment benefits liability is not recorded in the governmental funds but is recorded in the Statement of Activities. 73,853,464

Some expenses reported in the Statement of Activities, such as compensated absences and other employee benefits, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 6,637,868

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 201,043

Amortization of deferred inflows related to District lottery aid. 1,016,666

Net revenue of the Internal Service Fund is reported with Governmental Activities. (9,809,410)

Net change in net position of governmental activities \$ 133,421,038

CITY OF SYRACUSE, NEW YORK

**Statement of Net Position - Proprietary Funds
June 30, 2025**

	Business-Type Activities			Governmental
	Water	Sewer	Total	Internal Service Fund
ASSETS				
CURRENT ASSETS:				
Cash, cash equivalents and investments	\$ 10,193,000	\$ -	\$ 10,193,000	\$ -
Accounts receivable, net	5,317,889	1,328,857	6,646,746	-
Due from other governments	-	14,371	14,371	-
Due from component unit	-	-	-	-
Total current assets	<u>15,510,889</u>	<u>1,343,228</u>	<u>16,854,117</u>	<u>-</u>
NONCURRENT ASSETS:				
Restricted cash and cash equivalents	565,240	-	565,240	-
Capital assets, non-depreciable	24,579,236	3,154,637	27,733,873	2,497,904
Capital assets, depreciable, net	<u>91,674,732</u>	<u>12,513,388</u>	<u>104,188,120</u>	<u>144,058,641</u>
Total noncurrent assets	<u>116,819,208</u>	<u>15,668,025</u>	<u>132,487,233</u>	<u>146,556,545</u>
Total Assets	<u>132,330,097</u>	<u>17,011,253</u>	<u>149,341,350</u>	<u>146,556,545</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - debt refunding	55,549	24,411	79,960	-
Deferred outflows - OPEB	2,716,472	1,501,171	4,217,643	-
Deferred outflows - pensions	<u>1,380,279</u>	<u>491,669</u>	<u>1,871,948</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>4,152,300</u>	<u>2,017,251</u>	<u>6,169,551</u>	<u>-</u>
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	3,434,073	319,182	3,753,255	-
Accrued interest	182,334	8,916	191,250	-
Due to other funds	437,593	1,597,259	2,034,852	-
Amounts due to retirement systems	196,248	73,885	270,133	-
Bond anticipation notes payable	5,600,000	-	5,600,000	-
Other liabilities	368,106	9,558	377,664	-
Current portion of bonds payable	4,444,408	284,644	4,729,052	-
Current portion of compensated absences	397,383	155,755	553,138	-
Current portion of self-insurance claims	596,465	332,829	929,294	-
Current portion of total other postemployment benefits	<u>635,190</u>	<u>498,472</u>	<u>1,133,662</u>	<u>-</u>
Total current liabilities	<u>16,291,800</u>	<u>3,280,500</u>	<u>19,572,300</u>	<u>-</u>
NONCURRENT LIABILITIES:				
Bonds payable - net of current portion	38,974,835	490,039	39,464,874	-
Accrued compensated absences - net of current portion	757,097	260,474	1,017,571	-
Self-insurance claims - net of current portion	307,264	191,086	498,350	-
Net pension liabilities	2,674,624	952,728	3,627,352	-
Total other postemployment benefits - net of current portion	<u>17,306,918</u>	<u>10,177,606</u>	<u>27,484,524</u>	<u>-</u>
Total noncurrent liabilities	<u>60,020,738</u>	<u>12,071,933</u>	<u>72,092,671</u>	<u>-</u>
Total Liabilities	<u>76,312,538</u>	<u>15,352,433</u>	<u>91,664,971</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - OPEB	2,302,291	1,417,774	3,720,065	-
Deferred inflows - pensions	124,359	44,298	168,657	-
Deferred inflows - leases	-	-	-	30,972,083
Total Deferred Inflows of Resources	<u>2,426,650</u>	<u>1,462,072</u>	<u>3,888,722</u>	<u>30,972,083</u>
NET POSITION				
Net investment in capital assets	68,609,434	14,893,342	83,502,776	146,556,545
Restricted	565,240	-	565,240	-
Unrestricted	<u>(11,431,465)</u>	<u>(12,679,343)</u>	<u>(24,110,808)</u>	<u>(30,972,083)</u>
Total net position	<u>\$ 57,743,209</u>	<u>\$ 2,213,999</u>	<u>\$ 59,957,208</u>	<u>\$ 115,584,462</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds
For the Year Ended June 30, 2025**

	Business-Type Activities			Governmental
	Water	Sewer	Total	Internal Service Fund
OPERATING REVENUES:				
Charges for services	\$ 26,598,984	\$ 6,783,264	\$ 33,382,248	\$ -
Miscellaneous	<u>670,016</u>	<u>17,358</u>	<u>687,374</u>	<u>-</u>
Total operating revenues	<u>27,269,000</u>	<u>6,800,622</u>	<u>34,069,622</u>	<u>-</u>
OPERATING EXPENSES:				
Cost of sales and services	16,122,785	3,302,383	19,425,168	-
Administration	383,172	-	383,172	-
Depreciation	<u>3,950,985</u>	<u>782,910</u>	<u>4,733,895</u>	<u>11,627,367</u>
Total operating expenses	<u>20,456,942</u>	<u>4,085,293</u>	<u>24,542,235</u>	<u>11,627,367</u>
OPERATING INCOME (LOSS)	<u>6,812,058</u>	<u>2,715,329</u>	<u>9,527,387</u>	<u>(11,627,367)</u>
NONOPERATING REVENUES (EXPENSES):				
Capital grants	693,008	-	693,008	-
Capital contributions	-	-	-	737,484
Lease income	-	-	-	1,080,473
Investment income	40,526	-	40,526	-
Interest expense	<u>(993,383)</u>	<u>(2,801)</u>	<u>(996,184)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(259,849)</u>	<u>(2,801)</u>	<u>(262,650)</u>	<u>1,817,957</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	6,552,209	2,712,528	9,264,737	(9,809,410)
OPERATING TRANSFERS OUT	<u>(2,800,000)</u>	<u>(540,750)</u>	<u>(3,340,750)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>3,752,209</u>	<u>2,171,778</u>	<u>5,923,987</u>	<u>(9,809,410)</u>
NET POSITION - beginning of year, as previously reported	54,554,432	195,553	54,749,985	125,393,872
Restatement - see Note 14	<u>(563,432)</u>	<u>(153,332)</u>	<u>(716,764)</u>	<u>-</u>
NET POSITION - beginning of year, as restated	<u>53,991,000</u>	<u>42,221</u>	<u>54,033,221</u>	<u>125,393,872</u>
NET POSITION - end of year	<u>\$ 57,743,209</u>	<u>\$ 2,213,999</u>	<u>\$ 59,957,208</u>	<u>\$ 115,584,462</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025**

	Business-Type Activities			Governmental
	Water	Sewer	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 26,410,217	\$ 6,461,452	\$ 32,871,669	\$ -
Payments to vendors	(6,027,967)	(1,041,895)	(7,069,862)	-
Payments to employees	(7,030,680)	(2,551,235)	(9,581,915)	-
Internal activity with other funds - net	(6,013)	1,259,330	1,253,317	-
Claims paid	(3,073,637)	(1,691,569)	(4,765,206)	-
Net cash flow from operating activities	10,271,920	2,436,083	12,708,003	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating subsidies and transfers to other funds	(2,800,000)	(540,750)	(3,340,750)	-
Net cash flow from noncapital financing activities	(2,800,000)	(540,750)	(3,340,750)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets	(7,740,134)	(1,626,067)	(9,366,201)	-
Proceeds from capital grants	693,008	-	693,008	-
Proceeds from capital debt	6,950,000	-	6,950,000	-
Principal paid on capital debt	(3,938,255)	(229,707)	(4,167,962)	-
Interest paid on capital debt	(1,223,098)	(39,559)	(1,262,657)	-
Net cash flow from capital and related financing activities	(5,258,479)	(1,895,333)	(7,153,812)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	40,526	-	40,526	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,253,967	-	2,253,967	-
CASH AND CASH EQUIVALENTS - beginning of year	8,504,273	-	8,504,273	-
CASH AND CASH EQUIVALENTS - end of year	\$ 10,758,240	\$ -	\$ 10,758,240	\$ -
Reconciliation of operating income (loss) to net cash flow from operating activities:				
Operating income (loss)	\$ 6,812,058	\$ 2,715,329	\$ 9,527,387	\$ (11,627,367)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:				
Depreciation expense	3,950,985	782,910	4,733,895	11,627,367
Change in assets and liabilities:				
Accounts receivable	(889,771)	(341,271)	(1,231,042)	-
Due to/from other funds	(6,013)	1,259,330	1,253,317	(181,255)
Due from component unit	-	-	-	181,255
Accounts payable and accrued expenses	773,112	83,428	856,540	-
Amounts due to retirement systems	30,429	5,152	35,581	-
Net pension assets/liabilities	650,174	121,655	771,829	-
Other postemployment benefits	3,266,541	1,592,295	4,858,836	-
Self-insurance claims	(364,689)	(74,565)	(439,254)	-
Other liability	30,988	2,101	33,089	-
Accrued compensated absences	366,513	177,886	544,399	-
Deferred outflows - OPEB and pension	(1,517,332)	(616,009)	(2,133,341)	-
Deferred inflows - OPEB and pension	(2,831,075)	(3,272,158)	(6,103,233)	-
Net cash flow from operating activities	\$ 10,271,920	\$ 2,436,083	\$ 12,708,003	\$ -

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

The Internal Service Fund recognized additions to its capital assets related to a capital contribution from the Syracuse Regional Airport Authority of \$737,484 and amortization of deferred inflows related to leases of \$1,080,473.

Continued...

CITY OF SYRACUSE, NEW YORK

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025**

**RECONCILIATION OF RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS TO
TOTAL CASH AND CASH EQUIVALENTS - PROPRIETARY FUNDS:**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Beginning of Year:			
Water Fund	\$ 7,328,125	\$ 1,176,148	\$ 8,504,273
Sewer Fund	-	-	-
Internal Service Fund	-	-	-
	<hr/>	<hr/>	<hr/>
Total - Cash and cash equivalents - beginning of year	<u>\$ 7,328,125</u>	<u>\$ 1,176,148</u>	<u>\$ 8,504,273</u>
End of Year:			
Water Fund	\$ 10,193,000	\$ 565,240	\$ 10,758,240
Sewer Fund	-	-	-
Internal Service Fund	-	-	-
	<hr/>	<hr/>	<hr/>
Total - Cash and cash equivalents - end of year	<u>\$ 10,193,000</u>	<u>\$ 565,240</u>	<u>\$ 10,758,240</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Net Position - Fiduciary Funds June 30, 2025

	City Custodial Fund	City School District Private Purpose Trusts	Total Fiduciary Funds
ASSETS			
Restricted cash and cash equivalents	\$ 1,480,357	\$ 41,172	\$ 1,521,529
Due from other funds	<u>-</u>	<u>1,009</u>	<u>1,009</u>
Total assets	<u>1,480,357</u>	<u>42,181</u>	<u>1,522,538</u>
LIABILITIES			
Due to other governments	<u>1,480,357</u>	<u>-</u>	<u>1,480,357</u>
Total liabilities	<u>1,480,357</u>	<u>-</u>	<u>1,480,357</u>
NET POSITION			
Held in trust for scholarships	<u>\$ -</u>	<u>\$ 42,181</u>	<u>\$ 42,181</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Statement of Change in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025**

	City Custodial Fund	City School District Private Purpose Trusts	Total Fiduciary Funds
ADDITIONS:			
Taxes collected for other governments	\$ 78,564,905	\$ -	\$ 78,564,905
Contributions	-	9,857	9,857
Investment income	-	1,022	1,022
Total additions	<u>78,564,905</u>	<u>10,879</u>	<u>78,575,784</u>
DEDUCTIONS:			
Taxes distributed to other governments	78,564,905	-	78,564,905
Scholarships and awards	-	12,580	12,580
Total deductions	<u>78,564,905</u>	<u>12,580</u>	<u>78,577,485</u>
CHANGE IN NET POSITION	-	(1,701)	(1,701)
NET POSITION - beginning of year	<u>-</u>	<u>43,882</u>	<u>43,882</u>
NET POSITION - end of year	<u>\$ -</u>	<u>\$ 42,181</u>	<u>\$ 42,181</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Combining Statement of Net Position - Component Units
June 30, 2025**

	Syracuse Industrial Development Agency	Syracuse Economic Development Corporation	Syracuse Regional Airport Authority	Greater Syracuse Property Development Corporation	Total
ASSETS:					
Cash, cash equivalents and investments	\$ 4,186,437	\$ 2,050,112	\$ 59,460,663	\$ 2,622,973	\$ 68,320,185
Restricted cash, cash equivalents and investments	-	250,000	51,635,672	156,673	52,042,345
Accounts receivable	-	-	3,213,385	1,800	3,215,185
Loans receivable - current portion	-	1,942,463	-	-	1,942,463
Notes receivable - current portion	-	500,000	-	6,930	506,930
Lease receivable - current portion	-	-	1,084,424	-	1,084,424
Due from other governments	-	-	-	616,970	616,970
Other receivables	-	360,620	-	-	360,620
Inventory	-	-	-	585,268	585,268
Prepaid expenses	-	-	893,596	71,613	965,209
Other assets	515,609	-	-	7,500	523,109
Loans receivable - long-term portion	-	7,884,701	-	-	7,884,701
Notes receivable - long-term portion	-	3,790,185	-	88,513	3,878,698
Lease receivable - long-term portion	-	-	8,987,098	-	8,987,098
Capital assets, non-depreciable	50,000	-	23,846,303	-	23,896,303
Capital assets, depreciable, net	-	-	74,626,301	64,460	74,690,761
Total assets	<u>4,752,046</u>	<u>16,778,081</u>	<u>223,747,442</u>	<u>4,222,700</u>	<u>249,500,269</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - OPEB	-	-	2,345,117	-	2,345,117
Deferred outflows - pensions	-	-	2,413,898	-	2,413,898
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>4,759,015</u>	<u>-</u>	<u>4,759,015</u>
LIABILITIES:					
Accounts payable and accrued expenses	315,898	611,216	15,186,936	244,191	16,358,241
Unearned revenue	-	461,266	-	219,617	680,883
Long-term liabilities - due within one year	-	-	3,255,418	20,110	3,275,528
Long-term liabilities - due in more than one year	-	-	49,735,155	37,331	49,772,486
Total liabilities	<u>315,898</u>	<u>1,072,482</u>	<u>68,177,509</u>	<u>521,249</u>	<u>70,087,138</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - OPEB	-	-	10,216,727	-	10,216,727
Deferred inflows - pensions	-	-	258,313	-	258,313
Deferred inflows - leases	-	-	10,071,522	-	10,071,522
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>20,546,562</u>	<u>-</u>	<u>20,546,562</u>
NET POSITION:					
Net investment in capital assets	50,000	-	67,349,873	10,232	67,410,105
Restricted	-	250,000	51,635,672	-	51,885,672
Unrestricted	4,386,148	15,455,599	20,796,841	3,691,219	44,329,807
Total net position	<u>\$ 4,436,148</u>	<u>\$ 15,705,599</u>	<u>\$139,782,386</u>	<u>\$ 3,701,451</u>	<u>\$163,625,584</u>

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

**Combining Statement of Revenues, Expenses and Changes in Net Position - Component Units
For the Year Ended June 30, 2025**

	Syracuse Industrial Development Agency	Syracuse Economic Development Corporation	Syracuse Regional Airport Authority	Greater Syracuse Property Development Corporation	Total
OPERATING REVENUES:					
Financing fees	\$ 946,184	\$ -	\$ -	\$ -	\$ 946,184
Landing fees	-	-	11,392,676	-	11,392,676
Parking rents	-	-	23,360,141	-	23,360,141
Concession and other	-	-	13,013,748	-	13,013,748
Terminal rents	-	-	7,609,640	-	7,609,640
Rent revenue	22,018	-	-	46,493	68,511
Sale of property	-	-	-	1,005,829	1,005,829
Miscellaneous income	-	-	149,489	353,325	502,814
Total operating revenues	968,202	-	55,525,694	1,405,647	57,899,543
OPERATING EXPENSES:					
Airport expenses	-	-	49,255,552	-	49,255,552
Greater Syracuse Property Development Corporation expenses	-	-	-	5,812,283	5,812,283
Public improvements	789	-	-	-	789
Development projects	8,005	170,389	-	-	178,394
Other costs	1,577,421	15,025	-	-	1,592,446
Depreciation and amortization	-	-	3,556,968	27,133	3,584,101
Total operating expenses	1,586,215	185,414	52,812,520	5,839,416	60,423,565
OPERATING INCOME (LOSS)	(618,013)	(185,414)	2,713,174	(4,433,769)	(2,524,022)
NON-OPERATING REVENUES (EXPENSES):					
Grant, contributions and government subsidy revenue	-	1,233,008	28,360,845	4,301,949	33,895,802
Passenger facility charges	-	-	5,873,112	-	5,873,112
Consumer facility charges	-	-	6,302,534	-	6,302,534
Other revenue	-	-	88,491	-	88,491
Interest expense	-	-	(2,881,545)	-	(2,881,545)
Investment earnings	51,788	230,577	2,037,960	7,976	2,328,301
Total non-operating revenues (expenses)	51,788	1,463,585	39,781,397	4,309,925	45,606,695
CONTRIBUTIONS	-	-	-	190,787	190,787
CHANGES IN NET POSITION	(566,225)	1,278,171	42,494,571	66,943	43,273,460
NET POSITION - beginning of year, as previously reported	5,002,373	14,427,428	97,515,241	3,623,683	120,568,725
Restatement - GASB 101 adoption	-	-	(227,426)	-	(227,426)
Restatement - correction of error	-	-	-	10,825	10,825
NET POSITION - beginning of year, as restated	5,002,373	14,427,428	97,287,815	3,634,508	120,352,124
NET POSITION - end of year	\$ 4,436,148	\$ 15,705,599	\$ 139,782,386	\$ 3,701,451	\$ 163,625,584

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2025

1. NATURE OF OPERATIONS

The City of Syracuse, New York (the City) was incorporated in 1848 and operates under an elected Mayor. The Common Council is the elected legislative body and consists of a Council President and four members elected at large plus five district members. The City provides service of general government, public works, public safety, education, community enrichment and economic development to its approximately 148,000 residents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies used by the City are discussed in subsequent subsections of this note.

Financial Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government:	City of Syracuse, New York
Blended Component Units:	Syracuse City School District Syracuse Urban Renewal Agency Joint Schools Construction Board
Discretely Presented Component Units:	Syracuse Industrial Development Agency Syracuse Economic Development Corporation Syracuse Regional Airport Authority Greater Syracuse Property Development Corporation

The reporting entity of the City is based upon criteria set forth by the GASB.

Blended Component Units

Blended component units are separate entities that meet the component unit criteria set forth by the GASB. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

Syracuse City School District (the District) - The District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education, which is an elected body. The District is not a separate legal entity and does not have the power to levy taxes or issue bonds. Its budget is subject to approval by the City Common Council. The City is financially accountable for the District and makes the District whole with respect to the property tax levy. The District is primarily included in the basic financial statements as special revenue funds in the fund financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Units (Continued)

The District's general fund and special aid fund are included in the City's fund financial statements. In the government-wide statements, the District is included in the governmental activities. Separately issued financial statements may be obtained by contacting the Chief Financial Officer of the District at 1025 Erie Blvd. West, Syracuse, New York 13204-2749.

Syracuse Urban Renewal Agency (SURA) - SURA is an agency used to account for federal, state and local capital grant funds for the redevelopment of land in the City of Syracuse. The City is financially accountable for SURA. The Mayor appoints the voting majority of the governing body. SURA is included in the basic financial statements as a nonmajor governmental fund in the fund financial statements. In the government-wide statements, SURA is included in the governmental activities. Separately issued financial statements may be obtained by contacting the Commissioner of Finance at City Hall Room 128, 233 E. Washington Street, Syracuse, New York 13202.

Joint Schools Construction Board (JSCB) - The JSCB is a blended component unit of the District. The JSCB is a joint venture between the District and the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York (the Council) for the design, construction, reconstruction and financing of educational facilities in the City in accordance with applicable state and local laws. Separate audited financial statements are prepared for JSCB and reports may be obtained by writing to Joint Schools Construction Board, Commissioner of Finance, City Hall, Syracuse, New York 13202.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. The following organizations are discretely presented component units.

Syracuse Industrial Development Agency (SIDA) - SIDA is a public benefit governmental agency established to enhance economic development in the City. SIDA's programs include issuing industrial revenue bonds and making HUD 108 loans. The Mayor appoints a voting majority of the governing body and SIDA's activities are controlled by the City of Syracuse. Separate audited financial statements are prepared for SIDA and reports may be obtained by writing to Syracuse Industrial Development Agency, City Hall, Syracuse, New York 13202. SIDA has a fiscal year which ends December 31.

Syracuse Economic Development Corporation (SEDCO) - SEDCO is a not-for-profit corporation established by the City to foster development ventures in the City. SEDCO loans funds through Direct and Entrepreneur Loan Programs and the Urban Development Action Grant Program. The Direct and Entrepreneur Loan Programs are funded from annual entitlement grants from the City. The Urban Development Action Grant represents funds received by the City and passed through (loaned) to SEDCO. The City is financially accountable for SEDCO and the Mayor appoints the voting majority of the governing body. Separate audited financial statements are prepared for SEDCO and reports may be obtained by writing to Syracuse Economic Development Corporation, City Hall, Syracuse, New York 13202. SEDCO has a fiscal year which ends December 31.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Syracuse Regional Airport Authority (the Authority) - The Authority is a public benefit corporation established in August 2011 to maintain and operate Syracuse Hancock International Airport. The Authority submitted a joint application to the Federal Aviation Administration (FAA), along with the City of Syracuse (the City), to transfer the Federal Aviation Regulation Part 139 Operating Certificate from the City to the Authority. The application included several exhibits, including a Lease Agreement, Services Agreement, Assignment and Assumption Agreement, and narratives regarding the Airport's bond amounts, obligation and indentures, and the enterprise fund. The three agreements were approved by the Authority on July 12, 2013, and approved by the Syracuse Common Council in November 2013. The application was submitted to the FAA for review with a request to issue the operating certificate and make the transfer in 2014. The FAA approved the transfer from the City to the Authority in February 2014. On March 1, 2014, the Authority assumed operational control over the Airport. The oversight body is the Authority board of which seven of the eleven members are appointed by the Mayor of the City of Syracuse. The chairperson is designated by the Mayor of the City of Syracuse. Pursuant to a lease agreement, the Authority leases the properties comprising the Airport from the City. A separate legal entity, the Authority, is included as a discretely presented component unit within the City's basic financial statements due to the City's ability to impose its will. Upon expiration or earlier termination of the lease term, the Airport reverts to the City and the City will be required to obtain the operating certificate from the FAA in order to continue to administer and operate the Airport. Separate audited financial statements are prepared for the Authority and reports may be obtained by writing to the Executive Director at 1000 Colonel Eileen Collins Boulevard, Syracuse, New York, 13212.

Greater Syracuse Property Development Corporation - The City of Syracuse and County of Onondaga entered into an inter-municipal agreement on March 27, 2012 to create the Greater Syracuse Property Development Corporation, a not-for-profit corporation, operating as the Greater Syracuse Land Bank (Land Bank) under the New York Land Bank Act of 2011. The purpose of the Land Bank is to address problems regarding vacant and abandoned property in a coordinated manner and to further foster the development of such property and promote economic growth through the return of vacant, abandoned, and tax-delinquent properties to productive use. The City and County, while under no obligation, may contribute to the annual Land Bank budget in such manner agreed upon. The Land Bank is a discretely presented component unit of the City as it is fiscally dependent upon it and there is a financial benefit/burden relationship. The Land Bank has a fiscal year which ends December 31. Separate audited financial statements may be obtained by writing to Greater Syracuse Property Development Corporation, 431 East Fayette Street, Suite 375, Syracuse, New York 13202.

Only footnote disclosures relating to the primary government are included in the basic financial statements. The footnote disclosures relating to SIDA, SEDCO, Syracuse Regional Airport Authority and the Greater Syracuse Property Development Corporation are not included.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities present financial information about the reporting government as a whole. They include all funds of the reporting entity except those that are fiduciary. The City's fiduciary funds are presented in the fund financial statements by type (private purpose trust and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments and private parties, etc.) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements. Eliminations have been made to minimize the double counting of internal transactions. The statements distinguish between governmental and business-type activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the City's activities. Direct expenses are those that are specifically associated with and are clearly identified to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Amounts reported in the Statement of Activities as program revenue include charges to customers for goods, services or privileges provided, operating grants and contributions and capital grants and contributions. Program revenues must be directly associated with a governmental or business-type activity. General revenues support all activities and programs. All taxes are considered general revenues with the exception of special assessments.

Fund Financial Statements

Fund financial statements provide information about the City's funds and blended component units, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major funds within the governmental and proprietary categories. Major funds are displayed in separate columns. Nonmajor funds are summarized into a single column. A fund is required to be reported as major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described as follows:

Governmental Fund Types

- General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
- Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. General operations of the City School District, including the District's General Fund, Special Aid Fund, Food Service Fund and Miscellaneous Special Revenue Fund, are reported in the special revenue funds.
- Debt Service Fund - Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest of governmental activities. Both the City and the Syracuse City School District maintain debt service funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

- Capital Projects Fund - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment other than those financed by proprietary funds. The principal sources of revenue are from the sale of bonds, issuance of bond anticipation notes and federal, New York State and local funds. Both the City and the Syracuse City School District maintain capital project funds.
- Joint School Construction Board (JSCB) Fund - The JSCB fund, which is a blended component unit of the District, is used to account for transactions associated with the design, construction, reconstruction, and financing of public educational facilities in the City. The JSCB is authorized to act as an agent to enter into contracts on behalf of the District and the Common Council of the City of Syracuse, New York (the Council) for the construction of new educational facilities in accordance with applicable state and local laws.
- Permanent Funds - The permanent funds account for assets held by the City and the District pursuant to trust agreements. The principal portion of these fund types must remain intact, but the earnings may be used to achieve the objectives of the funds.

Proprietary Fund Types

Proprietary funds focus on the determination of changes in net position and cash flows and are classified as either enterprise or internal service.

- Enterprise Funds - enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:
 - Water Fund - The Water Fund is used to account for providing water to the public.
 - Sewer Fund - The Sewer Fund is used to account for wastewater and sanitation services to the public.
- Internal Service Fund - The Internal Service Fund is used to account for assets and activities related to the Syracuse Hancock International Airport, which is managed by the Syracuse Regional Airport Authority.

Fiduciary Fund types (Not included in government-wide statements)

- Custodial Funds - Custodial funds account for assets held by the City in a purely custodial capacity. Since these funds are custodial in nature, they do not involve the measurement of results of operations.
- Private Purpose Trust Funds - Private Purpose Funds, which are included in the District, are trust arrangements under which the principal or interest benefit specific individuals, organizations or other governments, and are therefore not available to support the District's own programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Major and Nonmajor Funds

- Major Funds:
 - General Fund - see earlier description
 - Capital Projects Fund - City – see earlier description
 - Special Revenue Fund - City School District General Fund - this fund is used to account for the education and transportation of pupils within the City.
 - Special Revenue Fund - City School District Special Aid Fund - this fund accounts for the proceeds of specific revenue sources, such as Federal and State grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.
- Proprietary Funds:
 - Water Fund - see earlier description
 - Sewer Fund - see earlier description
- Nonmajor Funds
 - Capital Projects Fund - City School District
 - Joint School Construction Board
 - Debt Service Funds - City and City School District
 - Permanent Funds:
 - Francis Hendrick's
 - The Ed Smith School Fund
 - Special Revenue Funds:
 - Neighborhood and Business Development
 - Special Grants
 - Special Assessment Districts
 - Oil and Flushing
 - Sidewalk
 - Syracuse Urban Renewal Agency
 - City School District School Food Service Fund
 - City School District Miscellaneous Special Revenue Fund
 - Miscellaneous Trust Funds

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. Proprietary and fiduciary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Proprietary and fiduciary fund equity are classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. All transactions and events that affect the total economic resources during the year are reported. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time an obligation (liability) is incurred, regardless of the timing of related cash inflows or outflows.

Governmental funds financial statements are presented on a modified accrual basis of accounting with a current financial resources measurement focus. This measurement focus concentrates on the fund's resources available for spending in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. City revenues are generally considered available if collected within 60 days of year-end, except for the Aid and Incentives to Municipalities state aid entitlement, for which the availability period is 270 days. The District considers revenues to be available if the revenues are collected within 90 days of year-end. The City and District report deferred inflows when the potential revenue does not meet both the measurable and available criteria for recognition in the current period.

Property taxes, grant revenue, sales tax, and other taxes are the primary revenue sources subject to accrual. Property taxes are reported as a receivable and a deferred inflow of resources when an enforceable lien on the property exists. The City bills and collects its own property taxes and County taxes. Collections and remittance of taxes for the County are accounted for in the Custodial Fund.

Under modified accrual accounting, governmental fund liabilities (and expenses) should be accrued in the absence of applicable modification. Such modifications exist for long-term indebtedness, compensated absences, claims and judgments and other long-term liabilities. These liabilities are accrued in the governmental funds only to the extent they are due.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided.

All proprietary and fiduciary funds utilize the accrual basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

In accordance with the City Charter, the annual operating budget includes the General Fund, City School District Fund exclusive of grants, and the Debt Service Fund. The budget for the Debt Service Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The budget for other governmental funds is prepared on a non-GAAP budgetary basis in that encumbrances are charged against appropriations in the year the commitment is incurred and payroll costs are on a cash basis. Formal budgetary integration is employed as a management control device during the year. For the Capital Projects Fund, long-term budgets covering the anticipated life of the project are adopted by the Common Council at the time of approval. The Neighborhood & Business Development Fund has budgets which are prepared annually for each program. The Mayor and the Common Council approve the budgets. The fund is federally funded and appropriations are based on funding received for the programs.

The City appropriates a total expenditure budget based on projected revenues and surplus from the preceding year. The budget allocations among the various organizational units in the governmental funds, along with any amendments made by the Common Council, are included in the Statement of Revenues, Expenditures and Encumbrances - Budget and Actual (Budgetary Basis).

All unencumbered budget appropriations lapse at year-end. The General Fund's budget is adopted on a departmental basis, which is the level of control at which expenditures may not legally exceed appropriations. On a budgetary basis, current year encumbrances are included with expenditures, while expenditures of prior years' encumbrances are excluded.

The Common Council follows these procedures in establishing the budgetary data reported in the financial statements:

- Following a public hearing on the proposed budget, the Common Council must adopt the proposed or amended budget no later than May 8th.
- Any amendments approved by the Common Council are presented to the Mayor for consideration. Should the Mayor object to any amendment, the Common Council has an opportunity to override the Mayor's objection until June 3rd.
- The Mayor has the authority to transfer budgeted amounts between accounts within a department, but increases to department totals must be approved by the Common Council.
- Budget amendments occurring subsequent to the adoption of the budget are drafted and reviewed by the Budget Director and submitted to the Common Council for approval. If amendments are passed by the Common Council, they are submitted to the Mayor for final approval.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include amounts restricted for future debt payments, amounts restricted for capital projects and Joint Schools Construction Board projects, cash to fund grant related programs, funds restricted for miscellaneous and permanent trusts and amounts collected on behalf of other governments.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales and use taxes, mortgage taxes, franchise taxes and grants. Business-type activities report fees for service receivables and grant related earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, sales and use taxes, mortgage taxes, franchise taxes, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if they are considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Fee for service receivables and grant related earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Allowance for uncollectible accounts, which are net with accounts receivable, as of June 30, 2025 were \$4,181,535 in the Water Fund and \$1,030,877 in the Sewer Fund.

Inventories

Inventories of food and/or supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in the other funds are recorded at cost on an average cost basis.

Prepaid Items

Prepaid items represent payments made by the City for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The accounting treatment of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

In the government-wide financial statements, capital assets are defined by the City as assets with an initial cost of more than \$5,000 and a useful life of two or more years. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during the construction phase of capital assets of business-type activities, if any, are included as part of the capitalized value of the assets constructed.

The City has works of art such as maps and valuable documents, paintings, sculptures, exhibits, monuments and statues. These items are not capitalized because they are not held for financial gain, are protected and preserved, and the City's policy requires any sale proceeds to be used to acquire other collection items.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation beginning in the first year after completion or acquisition of the asset, except for the Aviation Fund which begins depreciating assets on the date of acquisition.

The range of estimated useful lives by type of asset is as follows:

Buildings	20-40 years
Parking garages	20 years
Machinery and equipment	3-10 years
Improvements - land and building	20-40 years
Improvements - parking garages	10 years
Infrastructure	20-100 years
Furniture	5-10 years
Vehicles	3-9 years

Capital assets also include lease assets and SBITAs with a term greater than one year. The City does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

Fund Financial Statements

In the governmental fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

Government-Wide Financial Statements:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred outflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Also, the City has deferred outflows of resources, which are comprised of New York State Retirement Systems pension amounts as described in Note 9 and other postemployment benefits as described in Note 11.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources resulting from New York State Retirement Systems pension amounts as described in Note 9 and other postemployment benefits as described in Note 11.

Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflows of resources are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflows of resources are recognized in a systematic and rational manner over the term of the lease.

Deferred inflows of resources - lottery aid relates to advances of lottery revenues received from the New York State Department of Education as part of a special legislation to assist with budget constraints. Initial advances totaling \$30,500,000, respectively, include \$20,000,000, \$4,500,000 and \$6,000,000 received during 6/30/2005, 6/30/2006 and 6/30/2008. These advances will be repaid over 30 years at 0% interest by directly reducing each year's state aid respectively of \$666,667, \$150,000 and \$200,000 through 6/30/2035, 6/30/2036 and 6/30/2038.

Fund Financial Statements:

In addition to liabilities, the balance sheet of the governmental funds includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. The governmental funds report unavailable revenues from property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In both the government-wide and fund financial statements, lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment.

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability is deemed due and payable for amounts paid out to employees. The liability for compensated absences includes salary-related benefits, where applicable.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements. Material bond premiums and discounts are deferred and amortized over the life of the bond. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Long-term debt is not reported as a liability of the governmental funds and any debt issued or lease acquisitions are reported as an other financing source in the Statement of Revenues, Expenditures and Change in Fund Balances. Payments of principal and interest on general long-term debt are recognized when paid from a governmental fund. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings or liabilities that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - reports net position when constraints are placed on the assets or deferred outflow of resources either by (1) external groups such as creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position in the business-type activities is for capital and grant related projects.
- c. Unrestricted net position - reports the balance of net position that does not meet the definition of "restricted" or "net investment in capital assets" and is deemed to be available for general use by the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

Classification of fund balance reflects spending constraints on resources, rather than availability for appropriation to provide users more consistent and understandable information about a governmental fund's net resources. Constraints are broken down into five different classifications: nonspendable, restricted, committed, assigned and unassigned. The classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor constraints on the specific purposes for which resources in a fund can be spent.

In the fund financial statements there are five classifications of fund balance:

- a. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory in the School Food Service Fund and prepaid expenditures.
- b. Restricted - Includes amount with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the City's and School District's highest level of decision-making authority, i.e. the Common Council and Board of Education. The Common Council and Board of Education can adopt an ordinance to commit fund balance. The City has committed \$6,170,548 for use in capital projects at June 30, 2025 .

The City School District General Fund has committed fund balance of \$32,815,185 as follows: \$1 million for the phase-in of Montessori at Delaware Primary and the whole-school dual language model of instruction at Seymour Dual Language Academy, \$5,315,185 for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, \$2 million for the STEAM school project and \$24.5 million to maintain a minimum of 4% of the General Fund's operating budget in reserve in accordance with School District policy.

- d. Assigned - Includes all remaining fund balance in the Special Revenue Fund - City School District General Fund that does not meet the above definitions. Included in the District's assigned fund balance are encumbrances of \$12,162,303. Assigned fund balance in the City's General Fund consists of amounts appropriated in the next year's budget of \$14,393,809 and encumbrances of \$119,408. Under the City's adopted policy, the Board of Education and the Common Council may assign amounts for specific purposes.
- e. Unassigned - Includes all other General Fund balance that does not meet the definition of the above four classifications and is deemed to be available for general use by the City. In addition, unassigned fund balance includes any remaining negative fund balance for funds other than the General Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary net position is classified the same as in the government-wide statements.

Order of Use of Fund Balance

The City's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted or assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Retirement and Other Postemployment Benefits

The City provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State and Local Employees' Retirement System (ERS), New York State and Local Teachers' Retirement System (TRS) and Police and Fire Retirement System (PFRS). The systems provide various plans and options, some of which require employee contributions. The systems compute the cost of retirement benefits based upon their respective fiscal years: ERS and PFRS – April 1 to March 31, and TRS – July 1 to June 30. See Note 9 for further information.

In addition to providing pension benefits, the City provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the City and the retired employee. See Note 11 for further information.

Revenue, Expenditures and Expenses

Property Taxes and Property Tax Abatement Programs

The property tax levy is approved by the Common Council in May for the following year on the basis of the final assessment roll on July 1. The City bills and collects its own property taxes including school taxes and the property taxes levied by Onondaga County. City and District taxes are attached as an enforceable lien on property as of July 1 and are payable in four equal installments in July, October, January and April. County taxes are attached as an enforceable lien on property as of January 1 and are payable in four equal installments in January, April, July and October. City and School District property tax revenues are recognized when levied to the extent they result in current receivables, less an allowance for amounts estimated to be uncollectible. The allowance for City School District taxes is offset against City taxes as the City guarantees 100% of the levy to the School District. The City does not guarantee the collection of County taxes. The City is required to pay the County only when, and if, the tax is collected. In addition, the receivables in the governmental funds which are not available to finance current operations are offset by the recording of deferred inflow of resources – unavailable revenue. This is recognized as revenue in the fiscal year that such amounts become available. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. In the government-wide financial statements, property taxes are recorded as revenue when levied, less an allowance for uncollectible amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City is subject to tax abatements granted by two industrial development agencies, the Syracuse Industrial Development Agency (a discretely presented component unit of the City of Syracuse, New York) and the Onondaga County Industrial Development Agency. The abatements are for the acquisition, construction and renovation of various properties in the City of Syracuse, New York. Both agencies were created in accordance with the New York State Industrial Development Agency Act of 1969 to promote, develop, encourage and assist industrial, manufacturing, warehousing, commercial, research and recreational facilities to advance job opportunities, health and economic welfare of the people of the State of New York. The Agencies carry out their mandate by offering financial incentives to attract, retain and expand business within the City and County. The financial assistance is in the form of payment in lieu of tax agreements (PILOTs). Property taxes abated by agreements with the Onondaga County Industrial Development Agency amounted to \$775,264, and payments received related to the agreements amounted to \$106,003. Property taxes abated by agreements with the Syracuse Industrial Development Agency amounted to \$22,873,494, and payments received related to the agreements amounted to \$1,579,054.

Assessment Tax Revenue

In the fund financial statements, sidewalk and sewer assessments receivable are not considered currently collectible due to the City's policy of granting deferments for a period of up to ten years with 7% interest. Assessments are recorded as revenue in the funds when they are collected within 60 days of year-end. The amounts due but not collected within 60 days are recorded as a deferred inflow of resources. In the government-wide financial statements, assessment revenue is accrued.

Intergovernmental Revenues - Grants

For both the government-wide and fund financial statements, the City follows the policy that an expenditure of funds is the prime factor for determining the release of grant funds; revenue is recognized at the time of the expenditure of funds. If release of grant funds is not contingent upon expenditure of funds, revenue is recorded when received or when the grant becomes an obligation of the grantor.

Other Revenues

In the fund financial statements, governmental funds record licenses and permits, certain charges for services, fines and forfeitures and miscellaneous revenues on the cash basis because they are generally not measurable until actually received. Investment earnings are recorded on a modified accrual basis. Sales tax revenues are recorded on a modified accrual basis and include the portion of sales tax revenue attributable to the current year but remitted to the State, and ultimately to the City, within 60 days of the end of the current fiscal year. In the government-wide financial statements and the proprietary funds, other revenues are recognized when earned.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. It also includes all revenues and expenses not related to capital and related financing or investing activities. The principal operating revenue of the Water and Sewer Funds is charges to customers for sales and service. Operating expenses for the proprietary funds include the cost of sales and service, administrative expenses, and depreciation on capital assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by activity for both governmental and business-type activities. Expenses are recognized when they are incurred. Direct expenses are those that are specifically associated with an activity and are clearly identifiable to a particular function. Certain indirect expenses are allocated among the activities, if possible.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By character:	Current (further classified by function)
	Debt service for principal payments
	Interest on debt
	Capital outlays

Proprietary Funds - By operating and nonoperating.

In the fund financial statements, governmental funds report expenditures of financial resources. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Allocations of costs, such as depreciation, are not recognized. Proprietary funds report expenses relating to use of economic resources. Expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Interfund Transfers

The reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, transfers within governmental activities and within business-type activities are eliminated upon consolidation.

Payments Between the City and Component Units

Resource flows (except those that affect the Statement of Net Position, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions - that is, as revenues and expenses. Resource flows between the primary government and its blended component unit are classified as interfund transactions in the financial statements.

Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Delinquent Property Taxes and Special Assessments

Delinquent taxes receivable from the prior year are converted to tax sale certificates annually in April and October for the County and the City, respectively. The tax sale certificates are fully offset by an allowance for uncollectible delinquent taxes and deferred inflow of resources – unavailable revenue in the fund financial statements. At June 30, 2025, the City has estimated allowances for uncollectible amounts of \$32,759,109 in the General Fund, \$209,396 in the Special Assessments Fund, and \$118,303 in the Sidewalk Fund, which are net against taxes receivable in the fund financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Current Vulnerability Due to Certain Concentrations

Most of the City's and District's employees are covered by collective bargaining agreements. One agreement, covering approximately 1% of the total City and District employees were expired as of June 30, 2025. Approximately 70% are covered under agreements set to expire prior to June 30, 2026. The remaining agreements extend to June 30, 2026 or later.

Economic Dependency

The City and the District receive significant funding from both New York State and the federal government. Curtailment of such revenue would have a significant impact on the City's and District's programs.

City / County Abstract

The City has several shared service agreements with the County of Onondaga, New York, pursuant to which the County provides services to City residents. The majority of these agreements are reflected in the City Abstract, the document by which the City collects County real property taxes imposed on City residents. As reflected in the 2025 City Abstract, the total cost of these services for 2025 is \$23,177,653 and such amount was added to the County real property taxes imposed on City residents. The costs of these services are not included in either the City's annual budget or in the City's real property taxes. The City of Syracuse has the Authority to levy taxes up to the New York State Constitutional tax limit, which is (a) up to 2% of the five-year average full assessed valuation of taxable real property, for general governmental services other than the payment of principal and interest on long-term debt, (b) in unlimited amounts for the payment of principal and interest on long-term debt, and (c) in unlimited amounts for capital appropriations.

As of the 2024-2025 budget year, the City is using approximately \$131,000,000 or 73% of its tax limit to balance the budget. If the abstract charges were included in the City's budget, the City would exhaust approximately \$154,000,000 or 86% of the City's tax limit.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates, and such differences may be significant.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City elects to pool certain amounts of cash and cash equivalents, and investments in common accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

New York State governs the City's investment policies. The City is permitted to invest in special time deposits and certificates of deposits. In addition, the City may invest funds in direct obligations of the United States of America or obligations guaranteed by agencies of the United States of America where the payment of principal and interest are further guaranteed by the United States of America. Other eligible investments for the City include obligations of the State and repurchase agreements, subject to various conditions.

Deposits

Deposits include demand deposits, money market accounts and certificate of deposits with original maturities of three months or less with all short-term cash surpluses invested at money market rates in overnight accounts. All deposits with financial institutions must be collateralized in an amount equal to 102% of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to the obligations of the United States or any obligation fully insured as to the principal and interest by the United States acting through an agency, and obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York and must be held either by the financial institution's trust department or by a third party custodial bank.

At June 30, 2025, \$64,823,389 of the City's bank balances was exposed to custodial credit risk and was covered by collateral held in pledging banks' trust departments.

Investments in External Investment Pools

At June 30, 2025, the City's cash and cash equivalents included amounts of \$106,338,113 invested in NYCLASS, an external investment pool for local governments in New York State.

NYCLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in NYCLASS is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

NYCLASS is rated by S&P Global Ratings. The current rating is 'AAAm.'

NYCLASS is an external investment pool and therefore is not subject to custodial credit risk.

The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2025 is 46 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at June 30, 2025, is 77 days.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investment Valuation

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City did not have any investments that are measured using Level 2 or Level 3 inputs.

Fair value measurements of the City's investments at June 30, 2025 were comprised of U.S. Government Agency Treasury Bills valued at \$9,691,000, based on quoted market prices (Level 1 inputs).

The City also holds certificates of deposit, which are non-participating interest earning investment contracts and are reported at amortized cost. At June 30, 2025, these amounted to \$1,446,140.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

Governmental activities - City	Balance at July 1, 2024	Additions	Disposals/ Transfers	Balance at June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 17,287,380	\$ -	\$ -	\$ 17,287,380
Construction in progress	<u>172,060,337</u>	<u>70,566,798</u>	<u>39,738,213</u>	<u>202,888,922</u>
Total capital assets, not being depreciated	<u>189,347,717</u>	<u>70,566,798</u>	<u>39,738,213</u>	<u>220,176,302</u>
Capital assets, being depreciated:				
Buildings	347,035,188	1,587,977	-	348,623,165
Machinery and equipment	75,085,383	14,293,695	1,517,561	87,861,517
Improvements/ infrastructure	<u>727,688,830</u>	<u>33,275,086</u>	<u>-</u>	<u>760,963,916</u>
Total capital assets, being depreciated	<u>1,149,809,401</u>	<u>49,156,758</u>	<u>1,517,561</u>	<u>1,197,448,598</u>
Accumulated depreciation:				
Buildings	235,195,854	6,372,275	-	241,568,129
Machinery and equipment	60,174,827	4,992,530	1,517,561	63,649,796
Improvements/ infrastructure	<u>491,667,656</u>	<u>20,516,993</u>	<u>-</u>	<u>512,184,649</u>
Total accumulated depreciation	<u>787,038,337</u>	<u>31,881,798</u>	<u>1,517,561</u>	<u>817,402,574</u>
Right-to-use leased assets, being amortized:				
Buildings	<u>-</u>	<u>6,748,391</u>	<u>-</u>	<u>6,748,391</u>
Accumulated amortization:				
Buildings	<u>-</u>	<u>970,309</u>	<u>-</u>	<u>970,309</u>
Net capital assets - City governmental activities	<u>\$ 552,118,781</u>	<u>\$ 93,619,840</u>	<u>\$ 39,738,213</u>	<u>\$ 606,000,408</u>

4. CAPITAL ASSETS (Continued)

Governmental activities - District	Balance at July 1, 2024	Additions	Disposals/ Transfers	Balance at June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Construction in progress	<u>13,106,214</u>	<u>12,463,936</u>	<u>8,948,092</u>	<u>16,622,058</u>
Total capital assets, not being depreciated	<u>14,586,539</u>	<u>12,463,936</u>	<u>8,948,092</u>	<u>18,102,383</u>
Capital assets, being depreciated:				
Buildings	750,997,494	8,822,453	230,644	759,589,303
Machinery and equipment	41,339,618	4,174,335	2,135,879	43,378,074
Improvements/ infrastructure	<u>13,026,571</u>	<u>1,494,327</u>	<u>501,849</u>	<u>14,019,049</u>
Total capital assets, being depreciated	<u>805,363,683</u>	<u>14,491,115</u>	<u>2,868,372</u>	<u>816,986,426</u>
Accumulated depreciation:				
Buildings	262,467,048	51,251,941	183,059	313,535,930
Machinery and equipment	23,214,750	3,741,851	2,048,105	24,908,496
Improvements/ infrastructure	<u>3,308,866</u>	<u>593,045</u>	<u>494,411</u>	<u>3,407,500</u>
Total accumulated depreciation	<u>288,990,664</u>	<u>55,586,837</u>	<u>2,725,575</u>	<u>341,851,926</u>
Right-to-use leased assets, being amortized:				
Buildings	841,691	365,207	-	1,206,898
Equipment	<u>862,739</u>	<u>-</u>	<u>263,400</u>	<u>599,339</u>
Total right-to-use leased assets, being amortized	<u>1,704,430</u>	<u>365,207</u>	<u>263,400</u>	<u>1,806,237</u>
Accumulated amortization:				
Buildings	120,062	245,114	-	365,176
Equipment	<u>491,567</u>	<u>178,283</u>	<u>260,286</u>	<u>409,564</u>
Total accumulated amortization	<u>611,629</u>	<u>423,397</u>	<u>260,286</u>	<u>774,740</u>
SBITAs, being amortized:				
Total SBITAs, being amortized	301,577	-	-	301,577
Less total accumulated amortization	<u>71,819</u>	<u>80,036</u>	<u>-</u>	<u>151,855</u>
Total SBITAs, being amortized, net	<u>229,758</u>	<u>(80,036)</u>	<u>-</u>	<u>149,722</u>
Net capital assets - District	<u>\$ 532,282,117</u>	<u>\$ (28,770,012)</u>	<u>\$ 9,094,003</u>	<u>\$ 494,418,102</u>
Net capital assets - Total governmental activities	<u>\$ 1,084,400,898</u>	<u>\$ 64,849,828</u>	<u>\$ 48,832,216</u>	<u>\$ 1,100,418,510</u>

Depreciation/Amortization was charged to governmental activities as follows:

General government support	\$ 7,132,721
Public Safety	2,985,989
Transportation	9,027,721
Home and community services	11,631,155
Culture and recreation	2,074,521
Education	<u>56,090,270</u>
	<u>\$ 88,942,377</u>

4. CAPITAL ASSETS (Continued)

Business-type activities	Balance at July 1, 2024	Additions	Disposals/ Transfers	Balance at June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 4,485,400	\$ -	\$ -	\$ 4,485,400
Construction in progress	22,243,755	9,366,190	8,361,472	23,248,473
Total capital assets, not being depreciated	<u>26,729,155</u>	<u>9,366,190</u>	<u>8,361,472</u>	<u>27,733,873</u>
Capital assets, being depreciated:				
Buildings	4,011,100	-	-	4,011,100
Machinery and equipment	11,585,823	650,007	64,890	12,170,940
Improvements/ infrastructure	146,453,822	7,711,476	-	154,165,298
Total capital assets, being depreciated	<u>162,050,745</u>	<u>8,361,483</u>	<u>64,890</u>	<u>170,347,338</u>
Accumulated depreciation:				
Buildings	3,549,837	44,175	-	3,594,012
Machinery	10,291,063	832,965	64,890	11,059,138
Improvements/ infrastructure	47,649,313	3,856,755	-	51,506,068
Total accumulated depreciation	<u>61,490,213</u>	<u>4,733,895</u>	<u>64,890</u>	<u>66,159,218</u>
Net capital assets - business-type activities	<u>\$ 127,289,687</u>	<u>\$ 12,993,778</u>	<u>\$ 8,361,472</u>	<u>\$ 131,921,993</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 3,950,985
Sewer	<u>782,910</u>
	<u>\$ 4,733,895</u>

5. LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

Long-term liability activity for governmental activities for the year ended June 30, 2025 was as follows:

Governmental activities	Balance at July 1, 2024 (as restated)	Additions	Reductions	Balance at June 30, 2025	Due within one year
Bonds payable - City:					
General obligation bonds	\$ 148,606,616	\$ 18,419,109	\$ 21,218,039	\$ 145,807,686	\$ 23,004,209
Premium on bonds payable	<u>9,383,902</u>	<u>586,257</u>	<u>1,146,845</u>	<u>8,823,314</u>	<u>48,855</u>
Total bonds payable - City	<u>157,990,518</u>	<u>19,005,366</u>	<u>22,364,884</u>	<u>154,631,000</u>	<u>23,053,064</u>
Bonds payable - District:					
General obligation bonds	245,290,000	-	22,110,000	223,180,000	22,745,000
Premium on bonds payable	<u>33,147,475</u>	<u>-</u>	<u>3,904,952</u>	<u>29,242,523</u>	<u>3,904,952</u>
Total bonds payable - District	<u>278,437,475</u>	<u>-</u>	<u>26,014,952</u>	<u>252,422,523</u>	<u>26,649,952</u>
Total bonds payable	<u>436,427,993</u>	<u>19,005,366</u>	<u>48,379,836</u>	<u>407,053,523</u>	<u>49,703,016</u>
Other liabilities:					
Net pension liability	148,834,423	19,660,291	-	168,494,714	-
Compensated absences - City	37,241,724	3,311,789	-	40,553,513	9,325,945
Compensated absences -	18,686,040	174,673	-	18,860,713	3,092,922
Self-insurance claims - City	9,429,889	14,314	-	9,444,203	6,989,578
Self-insurance claims - District	35,089,804	-	2,781,902	32,307,902	4,160,674
Total OPEB	740,285,620	164,746,303	-	905,031,923	29,675,537
SBITA Liability - District	233,434	-	78,030	155,404	81,555
Lease Liability - City	-	6,748,391	801,058	5,947,333	848,354
Lease Liability - District	1,103,093	365,207	415,766	1,052,534	454,874
Judgments and claims	<u>16,150,000</u>	<u>-</u>	<u>5,500,000</u>	<u>10,650,000</u>	<u>-</u>
Total other liabilities	<u>1,007,054,027</u>	<u>195,020,968</u>	<u>9,576,756</u>	<u>1,192,498,239</u>	<u>54,629,439</u>
Governmental Activities - Long-Term Liabilities	<u>\$ 1,443,482,020</u>	<u>\$ 214,026,334</u>	<u>\$ 57,956,592</u>	<u>\$ 1,599,551,762</u>	<u>\$ 104,332,455</u>

Payments on the bonds and notes payable that pertain to the City's governmental activities are made by the Debt Service Fund with the exception of the bonds issued for the JSCB projects, which are paid by the JSCB.

Liabilities for compensated absences, retirement, self-insurance claims and judgments and claims attributable to the governmental activities will be liquidated by the General Fund or the City School District, which is a special revenue fund. Changes for City compensated absences are shown net as it is impractical to determine these amounts separately.

5. LONG-TERM LIABILITIES (Continued)

Long-term liability activity for business-type activities for the year ended June 30, 2025 was as follows:

Business-type activities	Balance at July 1, 2024 (as restated)	Additions	Reductions	Balance at June 30, 2025	Amount due within one year
Bonds payable:					
General obligation bonds	\$ 23,834,402	\$ 1,350,000	\$ 2,967,962	\$ 22,216,440	\$ 3,169,899
EFC bond - direct borrowing	21,265,000	-	1,200,000	20,065,000	1,225,000
Premium on bonds payable	2,200,043	42,969	330,526	1,912,486	334,153
Total bonds payable	47,299,445	1,392,969	4,498,488	44,193,926	4,729,052
Other liabilities:					
Net pension liability	2,855,523	771,829	-	3,627,352	-
Compensated absences	1,026,310	544,399	-	1,570,709	553,138
Self-insurance claims	1,866,898	-	439,254	1,427,644	929,294
Total OPEB	23,759,350	4,858,836	-	28,618,186	1,133,662
Total other liabilities	29,508,081	6,175,064	439,254	35,243,891	2,616,094
Business-type activities long-term liabilities	\$ 76,807,526	\$ 7,568,033	\$ 4,937,742	\$ 79,437,817	\$ 7,345,146

General Obligation Bonds Payable

General obligation bonds are direct obligations for which the full faith and credit of the City are pledged. Bonds are generally issued as serial bonds for a period equivalent to one-half of the period of probable usefulness for each improvement as defined by the New York State Local Finance Law. Detail relating to general obligation bonds of the City, outstanding at June 30, 2025, is summarized as follows:

Governmental Activities - City:

Date of Issue	Maturity Date	Interest Rate	Outstanding
2014	2/1/2034	2.500 - 5.000	\$ 2,671,000
2015	3/1/2027	4.000 - 5.000	2,171,556
2015	2/1/2030	2.500 - 5.000	2,240,000
2016	2/1/2031	2.000 - 2.375	3,003,000
2017	5/1/2032	3.000 - 5.000	5,170,000
2018	5/1/2033	4.000	4,570,000
2019	5/15/2034	4.000	7,414,000
2020	5/15/2035	4.000	9,046,000
2020	5/15/2031	5.000	2,760,000
2021	5/15/2041	2.000	36,586,000
2021	6/1/2033	4.000	1,980,000
2022	5/15/2042	4.000 - 4.125	17,810,000
2023	5/1/2033	4.000	18,512,022
2024	5/1/2031	4.000	13,454,999
2025	5/1/2037	4.000	18,419,109
			\$ 145,807,686

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds Payable (Continued)

Governmental Activities - District:

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding</u>
2015	2027	4.000 - 5.000	\$ 1,195,000
2011	2028	5.428	15,000,000
2021	2028	5.000	7,730,000
2017	2030	3.000 - 5.000	8,395,000
2017	2030	3.000 - 5.000	2,560,000
2017	2032	3.000 - 5.000	1,775,000
2018	2034	3.250 - 5.000	46,175,000
2018	2035	3.000 - 5.000	27,295,000
2019	2035	4.000 - 5.000	47,700,000
2020	2037	4.000 - 5.000	65,355,000
			<u>\$ 223,180,000</u>

Business-Type Activities:

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding</u>
2014	2/1/2034	2.500 - 5.000	\$ 1,139,000
2015	3/1/2027	4.000 - 5.000	1,308,444
2015	2/1/2030	2.500 - 5.000	390,000
2016	2/1/2031	2.000 - 2.375	702,000
2019	5/15/2034	4.000	941,000
2020	5/15/2035	4.000	659,000
2020	5/15/2031	5.000	495,000
2021	5/15/2040	2.000	3,009,000
2021	6/1/2033	4.000	7,640,000
2022	5/15/2040	4.000 - 4.125	1,145,000
2023	5/1/2033	4.000	3,437,996
2025	5/1/2037	4.000	1,350,000
			<u>\$ 22,216,440</u>

5. LONG-TERM LIABILITIES (Continued)

Summary of Debt Service on Bonds to Maturity

As of June 30, 2025, amounts due to service principal and interest in future years on general obligation bonds payable and EFC bonds, are as follows:

Governmental Activities:

Year ending June 30,	City		District		Total
	Principal	Interest	Principal	Interest	
2026	\$ 23,004,209	\$ 4,920,475	\$ 22,745,000	\$ 10,491,737	\$ 61,161,421
2027	22,688,918	4,171,310	34,770,000	9,357,762	70,987,990
2028	14,925,501	3,318,326	18,630,000	7,568,388	44,442,215
2029	12,912,090	2,786,539	18,765,000	6,655,838	41,119,467
2030	12,704,603	2,332,994	19,655,000	5,723,987	40,416,584
2031-2035	41,683,251	6,102,017	101,375,000	13,831,000	162,991,268
2036-2040	15,684,114	1,313,205	7,240,000	294,200	24,531,519
2041-2042	2,205,000	71,500	-	-	2,276,500
	<u>\$ 145,807,686</u>	<u>\$ 25,016,366</u>	<u>\$ 223,180,000</u>	<u>\$ 53,922,912</u>	<u>\$ 447,926,964</u>

Business-Type Activities:

Year ending June 30,	General obligation debt		EFC bond - direct borrowing		Total
	Principal	Interest	Principal	Interest	
2026	\$ 3,169,899	\$ 813,209	\$ 1,225,000	\$ 412,523	\$ 5,620,631
2027	3,266,083	699,271	1,235,000	392,850	5,593,204
2028	2,679,498	573,405	1,250,000	373,849	4,876,752
2029	2,637,908	477,799	1,275,000	352,386	4,743,093
2030	2,665,397	383,761	1,290,000	327,733	4,666,891
2031-2035	7,226,750	689,427	6,685,000	457,676	15,058,853
2036-2040	570,905	29,796	7,105,000	(998,249)	6,707,452
2041-2042	-	-	-	-	-
	<u>\$ 22,216,440</u>	<u>\$ 3,666,668</u>	<u>\$ 20,065,000</u>	<u>\$ 1,318,768</u>	<u>\$ 47,266,876</u>

EFC Bond – Direct Borrowing

The State made available to the City a subsidized bond from the New York State Environmental Facilities Corporation (NYSEFC) in an original issuance amount of \$36,381,323. This bond was issued to finance water fund projects. Interest rate is 4.61% with a maturity date of October 2039. A portion of the interest is subsidized by the New York State Environmental Facilities Corporation.

The City's direct borrowings with NYSEFC contain a provision that in the event of default, NYSEFC may take whatever action at law or in equity may appear necessary or desirable to remedy such default. These remedies include, but are not limited to, mandatory redemption, acceleration, requiring the City to immediately redeem the bonds in whole together with all other sums due to NYSEFC. The City may also owe to NYSEFC interest accrued on the overdue balance.

6. SHORT-TERM DEBT

Revenue Anticipation Notes Payable

For governmental funds, notes issued in anticipation of the receipt of revenues are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The revenue anticipation notes represent a liability that will be extinguished by the use of expendable, available resources of the fund. No revenue anticipation notes were issued or redeemed by the City or the District during the fiscal year.

Bond Anticipation Notes Payable

For governmental and business-type funds, notes issued in anticipation of proceeds from the subsequent sale of serial bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the serial bond. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

BANs payable reported in governmental activities for the City at June 30, 2025 and activity for the year then ended was as follows:

<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2025</u>
1/2025	6/2025	4.25%	-	820,000	(820,000)	-
			<u>\$ -</u>	<u>\$ 820,000</u>	<u>\$ (820,000)</u>	<u>\$ -</u>

BANs payable reported in governmental activities for JSCB, a blended component unit of the District, at June 30, 2025 and activity for the year then ended was as follows:

<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2025</u>
6/2025	6/2026	4.00%	-	2,000,000	-	2,000,000
			<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

BANs payable reported in business-type activities at June 30, 2025 and activity for the year then ended was as follows:

<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2025</u>
6/2025	6/2026	4.00%	\$ -	\$ 3,850,000	\$ -	\$ 3,850,000
6/2025	6/2026	4.25%	-	1,750,000	-	1,750,000
			<u>\$ -</u>	<u>\$ 5,600,000</u>	<u>\$ -</u>	<u>\$ 5,600,000</u>

7. LEASES

City as a lessee:

The City leases property from various vendors. Annual requirements to amortize long-term lease obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 848,354	\$ 207,010	\$1,055,364
2027	897,058	171,759	1,068,817
2028	880,541	135,460	1,016,001
2029	761,870	101,371	863,241
2030	471,614	78,727	550,341
2031-2034	<u>2,087,896</u>	<u>140,133</u>	<u>2,228,029</u>
	<u>\$5,947,333</u>	<u>\$ 834,460</u>	<u>\$6,781,793</u>

District as a lessee:

The City School District leases property, copiers and equipment from various vendors. Annual requirements to amortize long-term lease obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 454,874	\$ 32,791	\$ 487,665
2027	361,061	16,495	377,556
2028	215,695	5,241	220,936
2029	<u>20,904</u>	<u>266</u>	<u>21,170</u>
	<u>\$1,052,534</u>	<u>\$ 54,793</u>	<u>\$1,107,327</u>

City as a lessor:

The City has an agreement to lease a City-owned parking garage through June 2031. Current monthly payments to the City are \$46,528 under the lease. A receivable and deferred inflow of resources are recorded in the General Fund. For the year ended June 30, 2025, lease income and interest income were \$382,748 and \$175,582, respectively. Future payments under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 403,775	\$ 154,555	\$ 558,330
2027	477,204	131,126	608,330
2028	503,420	104,910	608,330
2029	531,077	77,253	608,330
2030	560,252	48,078	608,330
2031	<u>591,031</u>	<u>17,300</u>	<u>608,331</u>
	<u>\$3,066,759</u>	<u>\$ 533,222</u>	<u>\$3,599,981</u>

7. LEASES (Continued)

The City entered into a lease agreement with the Syracuse Regional Airport Authority, a discretely presented component unit, which commenced on March 1, 2014, which is effective for an initial term of forty (40) years.

The lease agreement gives the Authority the exclusive right to operate, maintain and improve the Airport subject to certain restrictions and conditions. The renewals of the lease term are automatic for additional ten-year terms. The City retains physical ownership of the current and future land, buildings and improvements of the Airport made by or on behalf of the Authority. These capital contributions are reported in the Internal Service Fund as nonoperating revenue. Upon termination or expiration of the lease agreement, the City is required to take all necessary actions to secure an Airport Operating Certificate from the Federal Aviation Administration in a timely fashion to ensure there is no interruption in Airport operations.

The Authority was required under the lease agreement to make rental payments to the City equal to the principal and interest due on Airport-related debt issued by the City. However, the Authority subsequently issued debt to fully pay off the existing debt. As a result, there is no lease receivable reported in the Internal Service Fund, but deferred inflow of resources related to the lease are reported and are amortized over the term of the lease. This revenue is reported as lease income in the Internal Service Fund.

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

To improve cash management, most disbursements are made from a pooled account in the General Fund. This cash management practice, as well as normal delays in processing interfund transfers and reimbursement, is the main reason why interfund receivables and payables exist. These receivables and payables are short-term in nature and are typically repaid in less than one year. The following schedule summarizes interfund receivables and payables at June 30, 2025:

	Amount	
	<u>Receivable</u>	<u>Amount Payable</u>
General Fund	\$ 52,905,620	\$ -
Capital Projects Fund - City	-	26,547,503
City School District General Fund	5,132,681	23,001,693
City School District Special Aid Fund	-	18,395,683
Proprietary Funds:		
Water	-	437,593
Sewer	-	1,597,259
Internal Service Fund	-	-
Nonmajor Governmental Funds:		
Joint Schools Construction Board	-	5,132,681
Capital Projects Fund - District	35,387,885	-
Debt Service - District	965,164	-
Neighborhood and Business Development	-	4,840,024
Special Grants	-	15,575,716
Sidewalk	-	3,287,390
SURA	4,683,568	5,303,703
School Food Service	5,043,318	-
Fiduciary	1,009	-
	<u>\$104,119,245</u>	<u>\$ 104,119,245</u>

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Transfers

Transfers among funds are provided for as part of the annual budget process. They facilitate annual contributions from the operating budget to the Capital Projects and Debt Service Funds. They also facilitate the contribution of proprietary fund earnings to the General Fund. Interfund transfers are routine in nature. Transfers are as follows:

	Transfers in	Transfers out
General Fund	\$ 3,542,040	\$ 31,912,046
Capital Projects Fund - City	7,442,750	13,540
City School District General Fund	4,408,300	18,750,302
City School District Special Aid Fund	765,328	8,293,206
Proprietary Funds:		
Water	-	2,800,000
Sewer	-	540,750
Nonmajor Governmental Funds:		
Joint Schools Construction Board	-	1,095,675
Capital Projects Fund - District	21,457,988	-
Debt Service Fund - City	25,481,093	-
Debt Service Fund - District	2,584,975	-
Oil and Flushing	-	455,175
Sidewalk Fund	500,000	1,244,373
School Food Service Fund	-	1,077,407
	\$ 66,182,474	\$ 66,182,474

9. RETIREMENT PLANS

New York State Employee Retirement System (NYSERS) and Police and Fire Retirement System (NYSPFRS)

The City, SURA and the District participate in the New York State and Local Employees' Retirement System (NYSERS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSERS. The NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSERS, the election is irrevocable.

The City also participates in the New York State and Local Police and Fire Retirement System (NYSPFRS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSPFRS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSPFRS. The NYSPFRS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSPFRS, the election is irrevocable.

9. RETIREMENT PLANS (Continued)

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City, SURA and the District also participate in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The NYSERS and NYSPFRS are noncontributory except for employees who joined the NYSERS and NYSPFRS after July 27th, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% of their salary for their entire length of service. Under the authority of the NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS' and NYSPFRS' fiscal year ending March 31.

**City:
Contributions**

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>NYSERS</u>	<u>NYSPFRS</u>
June 30, 2025	\$ 6,482,076	\$ 27,241,645
June 30, 2024	5,630,931	23,586,706
June 30, 2023	5,044,516	22,153,313

Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025, the City reported net pension liabilities (assets) for its proportionate share of the NYSERS and NYSPFRS net pension liabilities (assets). The net pension liabilities (assets) measured as of March 31, 2025, and the total pension liability used to calculate the net pension liabilities (assets) were determined by the actuarial valuation as of April 1, 2024. The City's proportion of the net pension liabilities (assets) were based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the City reported the following:

	<u>NYSERS</u>	<u>NYSPFRS</u>
City's Proportion Percent	0.1527396%	1.9104930%
Net Pension Liability (Asset)	\$26,188,302	\$116,097,991
Pension Expense	\$5,705,815	\$28,387,406

9. RETIREMENT PLANS (Continued)

The allocation of the net pension liability (asset) and pension expense for governmental activities at June 30, 2025 was as follows:

	<u>NYSERS</u>	<u>NYSPPFRS</u>
City's Proportion Percent	0.1315699%	1.9104930%
Net Pension Liability (Asset)	\$22,560,950	\$116,097,991
Pension Expense	\$4,914,989	\$28,387,406

The allocation of the net pension liability (asset) and pension expense for business-type activities at June 30, 2025 was as follows:

	<u>NYSERS</u>
City's Proportion Percent	0.0211697%
Net Pension Liability (Asset)	\$3,627,352
Pension Expense	\$790,826

At June 30, 2025, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPFRS</u>
Differences between expected and actual experience	\$ 6,500,113	\$ 38,670,703
Net difference between projected and actual earnings on pension plan investments	2,054,661	4,462,433
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,913,188	2,580,118
Changes in assumptions	1,098,285	17,433,438
Contributions subsequent to the measurement date	1,948,613	7,483,212
	<u>\$ 13,514,860</u>	<u>\$ 70,629,904</u>
Total		

	<u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPFRS</u>
Differences between expected and actual experience	\$ 306,614	\$ -
Changes in proportion and differences between the City's contributions and proportionate share of contributions	911,034	3,974,227
	<u>\$ 1,217,648</u>	<u>\$ 3,974,227</u>
Total		

9. RETIREMENT PLANS (Continued)

The allocation of deferred inflows and outflows for the governmental activities at June 30, 2025 were as follows:

	<u>Deferred Outflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPFRS</u>
Differences between expected and actual experience	\$ 5,600,409	\$ 38,670,703
Net difference between projected and actual earnings on pension plan investments	1,769,885	4,462,433
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,648,020	2,580,118
Changes of assumptions	946,063	17,433,438
Contributions subsequent to the measurement date	<u>1,678,535</u>	<u>7,483,212</u>
 Total	 <u>\$ 11,642,912</u>	 <u>\$ 70,629,904</u>
	 <u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPFRS</u>
Differences between expected and actual experience	\$ 264,226	\$ -
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>784,765</u>	<u>3,974,227</u>
 Total	 <u>\$ 1,048,991</u>	 <u>\$ 3,974,227</u>

The allocation of deferred inflows and outflows for the business-type activities at June 30, 2025 were as follows:

	<u>Deferred Outflows of Resources</u>	
	<u>NYSERS</u>	
Differences between expected and actual experience	\$ 899,704	
Net difference between projected and actual earnings on pension plan investments	284,776	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	265,168	
Changes of assumptions	152,222	
Contributions subsequent to the measurement date	<u>270,078</u>	
 Total	 <u>\$ 1,871,948</u>	
	<u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	
Differences between expected and actual experience	\$ 42,388	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>126,269</u>	
 Total	 <u>\$ 168,657</u>	

9. RETIREMENT PLANS (Continued)

The City recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025, which will result in an increase or reduction of the net pension assets or liabilities, respectively, in the next fiscal year.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Plan's Year Ended March 31:	Governmental Activities	
	NYSERS	NYSPPFRS
2026	\$ 3,943,652	\$ 29,597,007
2027	6,131,026	18,109,958
2028	(1,511,689)	1,155,798
2029	352,397	7,002,194
2030	-	3,307,508
Thereafter	-	-
	<u>\$ 8,915,386</u>	<u>\$ 59,172,465</u>

Plan's Year Ended March 31:	Business-type Activities
	NYSERS
2026	\$ 634,537
2027	986,487
2028	(243,232)
2029	55,421
2030	-
Thereafter	-
	<u>\$ 1,433,213</u>

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liabilities (assets) calculated using the discount rate of 5.9%, as well as what the City's proportionate share of the net pension liabilities (assets) would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	<u>1% Decrease</u> <u>(4.9%)</u>	<u>Current</u> <u>Discount</u> <u>(5.9%)</u>	<u>1% Increase</u> <u>(6.9%)</u>
Proportionate Share of Net Pension Liability (Asset) - NYSERS	\$75,792,244	\$26,188,302	\$(15,231,021)
Proportionate Share of Net Pension Liability (Asset) - NYSPPFRS	\$244,797,526	\$116,097,991	\$9,875,029

9. RETIREMENT PLANS (Continued)

**SURA:
CONTRIBUTIONS**

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	<u>NYSERS</u>	
June 30, 2025	\$	454,693
June 30, 2024		318,157
June 30, 2023		263,444

Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025, SURA reported a net pension liability (asset) of \$2,083,097 for its proportionate share of the NYSERS net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of April 1, 2024. SURA's proportion of the net pension liability (asset) was based on a projection of SURA's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 SURA's proportion was 0.0121494% which was an increase of 0.0016732% from its proportionate share measured at June 30, 2024.

For the year ended June 30, 2025, SURA recognized pension expense of \$420,895. At June 30, 2025, SURA reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred	
	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 517,039	\$ 24,389
Changes in assumptions	87,361	-
Net difference between projected and actual earnings on pension plan investments	163,434	-
Changes in proportion and differences between SURA's contributions and proportionate share of contributions	325,455	199,880
Contributions subsequent to the measurement date	140,771	-
	<u>\$ 1,234,060</u>	<u>\$ 224,269</u>
Total		

SURA recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025, which will result in an increase or reduction of the net pension assets or liabilities, respectively, in the next fiscal year.

9. RETIREMENT PLANS (Continued)

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2026	\$ 371,225
2027	582,439
2028	(121,319)
2029	<u>36,675</u>
	<u>\$ 869,020</u>

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents SURA's proportionate share of the net pension liability (asset) calculated using the current-period discount rate assumption of 5.9%, as well as what SURA's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	<u>1% Decrease</u> <u>(4.9%)</u>	<u>Current</u> <u>Discount</u> <u>(5.9%)</u>	<u>1% Increase</u> <u>(6.9%)</u>
Proportionate Share of Net Pension Liability (Asset) - NYSERS	\$6,028,744	\$2,083,097	\$(1,211,521)

District: Contributions

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	<u>NYSERS</u>
June 30, 2025	\$ 7,887,428
June 30, 2024	6,082,872
June 30, 2023	4,926,215

Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a net pension liability (asset) of \$27,752,676 for its proportionate share of the NYSERS net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2025, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2024. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2025, the District's proportion was 0.1618636%, which was an increase of 0.0089707% from its proportionate share measured at March 31, 2024.

9. RETIREMENT PLANS (Continued)

For the year ended June 30, 2025, the School District recognized pension expense of \$6,395,930. At June 30, 2025, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,888,401	\$ 324,930
Changes in assumptions	1,163,892	-
Net difference between projected and actual earnings on pension plan investments	2,177,397	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,454,411	167,893
Contributions subsequent to the measurement date	<u>2,210,653</u>	<u>-</u>
 Total	 <u>\$ 13,894,754</u>	 <u>\$ 492,823</u>

The District recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025, which will result in an increase or reduction of the net pension assets or liabilities, respectively, in the next fiscal year.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2026	\$ 5,041,260
2027	7,566,077
2028	(1,947,864)
2029	<u>531,805</u>
	 <u>\$ 11,191,278</u>

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	<u>1% Decrease</u> <u>(4.9%)</u>	<u>Current</u> <u>Discount</u> <u>(5.9%)</u>	<u>1% Increase</u> <u>(6.9%)</u>
Proportionate Share of Net Pension Liability (Asset) - NYSERS	\$80,319,737	\$27,752,676	\$(16,140,855)

9. RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liabilities of the employers as of March 31, 2025 (in thousands) were as follows:

	<u>ERS</u>	<u>PFRS</u>
Total pension liability	\$247,600,239	\$48,718,477
Net position	<u>(230,454,512)</u>	<u>(42,641,620)</u>
Net pension liability (asset)	<u>\$17,145,727</u>	<u>\$6,076,857</u>
Fiduciary net position as a percentage of total pension liability (asset)	93.08%	87.53%

Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.3% for ERS, 6.0% for PFRS indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

9. RETIREMENT PLANS (Continued)

Long-Term Expected Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic equity	25.0	3.54
International equity	14.0	6.57
Private equity	15.0	7.25
Real estate	12.0	4.95
Opportunistic/ARS portfolio	3.0	5.25
Credit	4.0	5.40
Real assets	4.0	5.55
Fixed Income	22.0	2.00
Cash	<u>1.0</u>	0.25
	<u>100.0</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

New York State Teachers' Retirement System (NYSTRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost sharing, multiple employer public employee retirement system. NYSTRS offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after July 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid through their active membership.

9. RETIREMENT PLANS (Continued)

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

<u>NYSTRS</u>	
June 30, 2025	\$ 22,827,504
June 30, 2024	21,107,694
June 30, 2023	21,563,876

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a net pension liability (asset) of (\$33,794,526) for its proportionate share of the NYSTRS net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability (asset) was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportionate share was 1.132673%, which was a decrease of 0.001985% from its proportionate share measured at June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense (income) of \$18,197,511. At June 30, 2025, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,390,498	\$ -
Changes in assumptions	20,215,974	3,400,516
Net difference between projected and actual earnings on pension plan investments	-	37,548,598
Changes in proportion and differences between the District's contributions and proportionate share of contributions	2,171,840	3,061,959
Contributions subsequent to the measurement date	22,920,338	-
Total	\$ 81,698,650	\$ 44,011,073

9. RETIREMENT PLANS (Continued)

The District recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of June 30, 2024, which will result in an increase or reduction of the net pension assets or liabilities, respectively, in the next fiscal year.

Plan's Year Ended June 30:

2025	\$ (17,737,967)
2026	41,139,378
2027	(7,038,103)
2028	(7,847,454)
2029	4,543,839
Thereafter	<u>1,707,546</u>
	<u>\$ 14,767,239</u>

Actuarial Assumptions

The total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Normal Age
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The demographic actuarial assumptions and the salary scales are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experiences studies annually in order to gauge the appropriateness of the assumptions. For the full details, please refer to the Recommended Actuarial Assumptions 2021 Report, which can be found on the NYSTRS System's website at www.nystrs.org.

9. RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic equity	33.0	6.6
International equity	15.0	7.4
Global equity	4.0	6.9
Real Estate equity	11.0	6.3
Private equity	9.0	10.0
Domestic fixed income	16.0	2.6
Global bonds	2.0	2.5
Private debt	2.0	5.9
Real estate debt	6.0	3.9
High-yield bonds	1.0	4.8
Cash equivalents	<u>1.0</u>	0.5
	<u>100.0</u>	

Discount Rate

The discount rate used to measure the total pension asset was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

9. RETIREMENT PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the net pension liability (asset) of the District using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95%) or 1% higher (7.95%) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 156,098,865	\$ (33,794,526)	\$(193,499,963)

Pension Plan Fiduciary Net Position

The components of the collective net pension liability (asset) (in thousands) of the participating school districts as of the measurement date, were as follows:

Total pension liability	<u>NYSTRS</u> \$142,837,826
Net position	<u>(145,821,434)</u>
Net pension liability (asset)	<u>\$ (2,983,608)</u>
Fiduciary net position as a percentage of total pension liability (asset)	102.1%

Summary of Net Pension Assets, Liabilities, Deferred Outflows and Deferred Inflows

The components of the net pension liabilities, and deferred outflows of resources and deferred inflows of resources are as follows as of June 30, 2025:

	<u>Net Pension Liability (Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental activities:			
City NYSERS	\$ 22,560,950	\$ 11,642,912	\$ 1,048,991
City NYSPFRS	116,097,991	70,629,904	3,974,227
SURA NYSERS	2,083,097	1,234,060	224,269
District NYSERS	27,752,676	13,894,754	492,823
District NYSTRS	<u>(33,794,526)</u>	<u>81,698,650</u>	<u>44,011,073</u>
Total governmental activities	<u>\$ 134,700,188</u>	<u>\$ 179,100,280</u>	<u>\$ 49,751,383</u>
Business-type activities:			
City NYSERS	<u>\$ 3,627,352</u>	<u>\$ 1,871,948</u>	<u>\$ 168,657</u>
Total business-type activities	<u>\$ 3,627,352</u>	<u>\$ 1,871,948</u>	<u>\$ 168,657</u>

10. SELF INSURANCE

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City is primarily self-insured for medical, dental, workers' compensation and general liability claims. Property coverage exists for certain buildings including City Hall, airport terminal, City Hall Commons, Department of Public Works and all city schools for losses in excess of \$250,000 per occurrence.

With the exception of the City School District and the proprietary funds, the City currently reports all of its risk management activities in the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss occurred and the amount of that loss can be reasonably estimated. Liabilities accrued include an estimate of claims that have been incurred but not reported.

The estimated liability for health and dental claims is based on prior experience with actual payments of claims. The estimated liability for workers' compensation represent claims which have occurred and are open, due to an actual or future final determination of benefit payout as prescribed by the New York State Workers' Compensation Board. Judgments and claims liability is based on estimates received from the City's Department of Law or external counsel defending the claims.

The City believes these provisions, as described in Note 5, are adequate to cover their liability for claims based on current available information, but these estimates may differ from the amount ultimately paid when claims are settled.

A reconciliation of insurance claims is presented below.

	City - Governmental Activities	District	Total Governmental Activities	City - Business-type Activities
Activity for the year ended June 30, 2025:				
Worker's compensation liability - July 1	\$ 6,434,922	\$ 34,844,959	\$ 41,279,881	\$ 1,692,429
Health and dental liability - July 1	<u>2,994,967</u>	<u>244,845</u>	<u>3,239,812</u>	<u>174,469</u>
Total self insurance liability - July 1	<u>9,429,889</u>	<u>35,089,804</u>	<u>44,519,693</u>	<u>1,866,898</u>
Worker's compensation claims, net of payments	(412,964)	(2,572,240)	(2,985,204)	(469,820)
Health and dental claims, net of payments	<u>427,278</u>	<u>(209,662)</u>	<u>217,616</u>	<u>30,566</u>
Total claims, net of payments	<u>14,314</u>	<u>(2,781,902)</u>	<u>(2,767,588)</u>	<u>(439,254)</u>
Worker's compensation liability - June 30	6,021,958	32,272,719	38,294,677	1,222,609
Health and dental liability - June 30	<u>3,422,245</u>	<u>35,183</u>	<u>3,457,428</u>	<u>205,035</u>
Total self insurance liability - June 30	<u>\$ 9,444,203</u>	<u>\$ 32,307,902</u>	<u>\$ 41,752,105</u>	<u>\$ 1,427,644</u>

10. SELF INSURANCE (Continued)

	City - Governmental Activities	District	Total Governmental Activities	City - Business-type Activities
Activity for the year ended June 30, 2024:				
Worker's compensation liability - July 1	\$ 4,725,197	\$ 36,332,275	\$ 41,057,472	\$ 2,242,578
Health and dental liability - July 1	<u>3,717,136</u>	<u>263,496</u>	<u>3,980,632</u>	<u>234,425</u>
Total self insurance liability - July 1	<u>8,442,333</u>	<u>36,595,771</u>	<u>45,038,104</u>	<u>2,477,003</u>
Worker's compensation claims, net of payments	1,709,725	(1,487,316)	222,409	(550,149)
Health and dental claims, net of payments	<u>(722,169)</u>	<u>(18,651)</u>	<u>(740,820)</u>	<u>(59,956)</u>
Total claims, net of payments	<u>987,556</u>	<u>(1,505,967)</u>	<u>(518,411)</u>	<u>(610,105)</u>
Worker's compensation liability - June 30	6,434,922	34,844,959	41,279,881	1,692,429
Health and dental liability - June 30	<u>2,994,967</u>	<u>244,845</u>	<u>3,239,812</u>	<u>174,469</u>
Total self insurance liability - June 30	<u>\$ 9,429,889</u>	<u>\$ 35,089,804</u>	<u>\$ 44,519,693</u>	<u>\$ 1,866,898</u>

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City's defined benefit OPEB plan, provides OPEB for all employees with 10 years of service for members in the NYSERS and 20 years of service for members in the NYSPFRS. Retirees and spouses who are Medicare-eligible are not required to contribute to retiree group healthcare benefits. If not Medicare-eligible, contributions vary by bargaining unit. The City's OPEB plan covers employees of SURA as well as the City.

The District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree healthcare benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS healthcare benefits.

The plans are single-employer defined benefit OPEB plans administered by the City and District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City and District's governing bodies. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City and the District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the City and District offices and are available upon request.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

	<u>City & SURA</u>	<u>District</u>
Inactive employees or beneficiaries currently receiving benefits	1,914	3,662
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	<u>1,473</u>	<u>2,838</u>
Total participants	<u><u>3,387</u></u>	<u><u>6,500</u></u>

Total OPEB Liability

The City and the District's total liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

	<u>City & SURA</u>	<u>District</u>	<u>Total</u>
Governmental Activities	\$ 416,083,070	\$ 488,948,853	\$ 905,031,923
Business-Type Activities	28,618,186	-	28,618,186

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>City & SURA</u>	<u>District</u>
Reporting Date	6/30/2025	6/30/2025
Measurement Date	6/30/2025	6/30/2025
Actuarial Valuation Date	7/1/2023	7/1/2023
Discount Rate	4.71%	4.71%
Rate of compensation increase	4.50%	3.00%
Inflation rate	2.50%	2.50%
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage	Level Percentage
Amortization Period	Varies by Group	8.160 years
Medical and prescription drug trend rates	7.75% to 35.0% declining to an ultimate trend rate of 4.037% in 2075	7.75% to 35.0% declining to an ultimate trend rate of 4.037% in 2075

The discount rate above was based on an analysis of returns on the Fidelity General Obligation 20-Year AA Municipal Bond Index as of June 30, 2024 and June 30, 2025, which yielded discount rates of 3.97% and 4.71% respectively.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Mortality rates were based on the sex-distinct and job category-specific headcount-weighted Pub-2016 Public Retirement Plans Mortality Tables for employees, healthy retirees and contingent survivors, adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis. This assumption was based on a review of published mortality tables and the demographics of the Plan.

The actuarial assumptions used in the July 1, 2023 valuation were based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of cost sharing between the employer and plan members.

Changes in the Total OPEB Liability

	<u>City & SURA</u>	<u>District</u>
Balance at June 30, 2024	\$ 378,437,052	\$ 385,607,918
Changes for the Year-		
Service cost	14,025,294	16,103,170
Interest	15,249,756	15,688,902
Changes of benefit terms	-	(261,833)
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	53,664,207	84,859,991
Benefit payments	<u>(16,675,053)</u>	<u>(13,049,295)</u>
Net changes	<u>66,264,204</u>	<u>103,340,935</u>
Balance at June 30, 2025	<u>\$ 444,701,256</u>	<u>\$ 488,948,853</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.97% as of June 30, 2024, to 4.71% as of June 30, 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following present the total OPEB liability of the City and District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
City & SURA OPEB	\$ 504,616,322	\$ 444,701,256	\$ 395,122,408
District OPEB	\$ 562,693,807	\$ 488,948,853	\$ 428,625,043

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City and District, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
City & SURA OPEB	\$ 379,791,539	\$ 444,701,256	\$ 526,341,731
District OPEB	\$ 414,113,658	\$ 488,948,853	\$ 584,679,856

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City and the District recognized negative OPEB expense of \$(40,848,572) and \$(18,791,568), respectively. At June 30, 2025, the City and the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
City & SURA:				
Change of assumptions	\$ 57,470,088	\$ 31,193,491	\$ 4,217,643	\$ 1,864,549
Difference between expected and actual experience	-	34,533,948	-	1,855,516
Total City & SURA	<u>57,470,088</u>	<u>65,727,439</u>	<u>4,217,643</u>	<u>3,720,065</u>
District:				
Change of assumptions	112,322,493	23,815,615	-	-
Difference between expected and actual experience	<u>12,979,460</u>	<u>68,406,567</u>	<u>-</u>	<u>-</u>
Total District	<u>125,301,953</u>	<u>92,222,182</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 182,772,041</u>	<u>\$ 157,949,621</u>	<u>\$ 4,217,643</u>	<u>\$ 3,720,065</u>

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in expense as follows:

Fiscal Year Ending June 30:	Governmental Activities		Business-Type Activities
	City & SURA	District	City & SURA
2026	\$ (13,405,921)	\$ (34,932,714)	\$ (1,012,057)
2027	(12,382,613)	11,326,014	366,673
2028	6,694,623	11,089,650	373,358
2029	3,882,837	11,355,125	769,604
2030	6,953,723	11,528,301	-
Thereafter	-	22,713,395	-
	<u>\$ (8,257,351)</u>	<u>\$ 33,079,771</u>	<u>\$ 497,578</u>

12. CONTINGENCIES AND COMMITMENTS

Numerous real estate tax certiorari proceedings are presently pending against the City of Syracuse, New York on grounds of alleged inequality of assessment. Adverse decisions to the City could have a substantial impact through the reduction of assessments and tax refunds to successful litigants. Since the outcome of these proceedings cannot presently be determined, no provision for this exposure, if any, has been included in the accompanying basic financial statements.

The City has a potential liability for employees who are not entered into the Retirement System due to the fact that they were never offered the right to join. Any potential liability relating to this contingency is not determinable at June 30, 2025.

The City and the District have received grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the City's administration believes disallowances, if any, will either be immaterial or cannot be reasonably estimated.

13. ENVIRONMENTAL REMEDIATION

In March 2015, the City was named a potential responsible party for the release of hazardous substances into the environment at the Lower Ley Creek, Onondaga Lake Site, located in Onondaga County, New York. The City and the other named responsible parties consented to pay for a remediation investigation. To date, the City paid \$407,585 for this investigation. Once the investigation is complete, there may be additional liability related to this matter; however, an amount cannot be determined at this point, therefore, no liability has been accrued in the current fiscal year.

14. CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principle and Restatement

During the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 is designed to better meet the information needs of financial statement users by prescribing a unified model for the recognition and measurement of compensated absences. Under the new standard, a government is required to report a liability for all leave earned by its employees that is expected to be used for time off or paid out in cash. These changes were incorporated in the City's financial statements and resulted in a restatement of previously reported net position, as follows:

	<u>Governmental</u>	<u>Net Position</u>		<u>Business-Type</u>
	<u>Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Activities</u>
As previously reported, June 30, 2024	\$ 10,836,236	\$ 54,554,432	\$ 195,553	\$ 54,749,985
Restatement	<u>(39,099,228)</u>	<u>(563,432)</u>	<u>(153,332)</u>	<u>(716,764)</u>
As restated, July 1, 2024	<u>\$ (28,262,992)</u>	<u>\$ 53,991,000</u>	<u>\$ 42,221</u>	<u>\$ 54,033,221</u>

14. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

Change in Accounting Principle and Restatement (Continued)

The City also restated the compensated absence liability as follows:

	<u>Governmental</u>	<u>Compensated Absences</u>		<u>Business-Type</u>
	<u>Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Activities</u>
As previously reported, June 30, 2024	\$ 16,828,536	\$ 224,535	\$ 85,011	\$ 309,546
Restatement	<u>39,099,228</u>	<u>563,432</u>	<u>153,332</u>	<u>716,764</u>
As restated, July 1, 2024	<u>\$ 55,927,764</u>	<u>\$ 787,967</u>	<u>\$ 238,343</u>	<u>\$ 1,026,310</u>

15. SUBSEQUENT EVENTS

On November 12, 2025, the District's Board of Education approved the renewal of \$2.0 million and issuance of an additional \$2.0 million of bond anticipation notes to fund the design costs associated with JCSB Phase III projects pending approval by the City of Syracuse Common Council. JCSB Phase III includes reconstruction projects at 10 schools – Delaware Primary, Seymour Dual Language Academy and Webster Elementary Schools, Lincoln, Roberts, Syracuse Latin and Syracuse STEM at Blodgett Pre-K-8 School, as well as Corcoran, Henninger and Nottingham High Schools.

These bond anticipation notes in the amount of \$4.0 million were issued on January 22, 2026 with an interest rate of 3.5% and a maturity date of January 22, 2027.

CITY OF SYRACUSE, NEW YORK

Required Supplementary Information (Unaudited)

**Statement of Revenues, Expenditures and Encumbrances - Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2025**

	<u>General Fund</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES:				
General property taxes and tax items	\$ 64,554,361	\$ 64,554,361	\$ 59,127,027	\$ (5,427,334)
Sales and use taxes	123,655,134	123,655,134	121,145,765	(2,509,369)
Other local taxes	4,427,413	4,427,413	4,238,793	(188,620)
Departmental revenues	13,307,905	13,307,905	14,927,551	1,619,646
Intergovernmental charges	162,731	162,731	611,954	449,223
Licenses and permits	3,127,968	3,127,968	4,425,880	1,297,912
Fines and forfeitures	5,186,719	5,186,719	4,199,391	(987,328)
Sale of property and compensation for loss	1,689,020	1,689,020	676,350	(1,012,670)
Use of money and property	11,065,482	11,065,482	11,914,650	849,168
Federal and state aid and other grants	90,772,430	90,772,430	100,114,605	9,342,175
Workers Compensation Settlement	-	-	4,745,300	4,745,300
Other revenues	79,748	79,748	213,581	133,833
Total revenues	<u>318,028,911</u>	<u>318,028,911</u>	<u>326,340,847</u>	<u>8,311,936</u>
EXPENDITURES:				
Current:				
General government support	59,215,598	59,215,598	56,794,564	2,421,034
Public safety	187,579,590	187,579,590	181,886,638	5,692,952
Transportation	28,323,688	28,323,688	23,510,617	4,813,071
Home and community services	17,179,960	17,179,960	18,528,383	(1,348,423)
Culture and recreation	16,247,879	16,247,879	14,450,983	1,796,896
Principal debt payments	-	-	801,058	(801,058)
Interest on debt	-	-	255,190	(255,190)
Capital outlays	-	-	1,202,033	(1,202,033)
Total expenditures	<u>308,546,715</u>	<u>308,546,715</u>	<u>297,429,466</u>	<u>11,117,249</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,482,196</u>	<u>9,482,196</u>	<u>28,911,381</u>	<u>19,429,185</u>
OTHER FINANCING SOURCES (USES):				
Premium on bond anticipation notes	-	-	356	356
Proceeds from leases/SBITAs	-	-	1,202,033	1,202,033
Operating transfers in	3,542,041	3,542,041	3,542,040	(1)
Operating transfers out	<u>(32,274,237)</u>	<u>(32,274,237)</u>	<u>(31,912,046)</u>	<u>362,191</u>
Total other financing uses - net	<u>(28,732,196)</u>	<u>(28,732,196)</u>	<u>(27,167,617)</u>	<u>1,564,579</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES	<u>\$ (19,250,000)</u>	<u>\$ (19,250,000)</u>	<u>1,743,764</u>	<u>\$ 20,993,764</u>
EFFECT OF ENCUMBRANCES			<u>(87,119)</u>	
CHANGE IN FUND BALANCE			<u>\$ 1,656,645</u>	

CITY OF SYRACUSE, NEW YORK

Required Supplementary Information (Unaudited)

**Statement of Revenues, Expenditures and Encumbrances - Budget and Actual (Budgetary Basis) - City School District General Fund
For the Year Ended June 30, 2025**

	General Fund City School District				Total Current Year Expenditures and Encumbrances	Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual CSD	Add: Current Year Encumbrances		
REVENUES:						
General property taxes and tax items	\$ 64,588,014	\$ 64,588,014	\$ 64,862,230	\$ -	\$ 64,862,230	\$ 274,216
Sales and use taxes	850,000	850,000	1,007,025	-	1,007,025	157,025
Sale of property and compensation for loss	50,250	50,250	22,834	-	22,834	(27,416)
Use of money and property	1,375,000	1,375,000	1,484,834	-	1,484,834	109,834
Federal and state aid and other grants	469,943,111	469,943,111	469,075,074	-	469,075,074	(868,037)
Other revenues	1,524,083	1,524,083	1,582,751	-	1,582,751	58,668
Total revenues	538,330,458	538,330,458	538,034,748	-	538,034,748	(295,710)
EXPENDITURES:						
Current:						
Education	533,254,807	528,354,807	503,161,824	12,162,303	515,324,127	13,030,680
Pass-through New York State funding to JSC	34,552,663	34,552,663	34,552,662	-	34,552,662	1
Debt service	361,400	361,400	387,663	-	387,663	(26,263)
Capital Outlay	-	-	758,291	-	758,291	(758,291)
Total expenditures	568,168,870	563,268,870	538,860,440	12,162,303	551,022,743	12,246,127
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,838,412)	(24,938,412)	(825,692)	(12,162,303)	(12,987,995)	11,950,417
OTHER FINANCING SOURCES (USES):						
Operating transfers in	4,324,748	4,324,748	4,408,300	-	4,408,300	83,552
Lease/SBITA Liabilities Issued	-	-	365,207	-	365,207	365,207
Operating transfers out	(15,740,881)	(20,640,881)	(18,750,302)	-	(18,750,302)	1,890,579
Total other financing sources (uses) - net	(11,416,133)	(16,316,133)	(13,976,795)	-	(13,976,795)	2,339,338
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	\$(41,254,545)	\$(41,254,545)	\$(14,802,487)	\$(12,162,303)	\$(26,964,790)	\$ 14,289,755

CITY OF SYRACUSE, NEW YORK

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended June 30:**

	Last 10 Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017**	2016**
City (including SURA):										
Total OPEB Liability										
Service cost	\$ 14,025,294	\$ 12,741,210	\$ 14,111,434	\$ 20,082,532	\$ 17,841,500	\$ 15,748,910	\$ 27,628,631	\$ 26,872,640		
Interest	15,249,756	13,309,236	13,109,497	8,215,988	11,512,239	13,577,148	31,336,832	29,839,653		
Changes of benefit terms	-	18,714,059	(186,880)	(1,757,672)	-	-	-	(72,246)		
Differences between expected and actual experience	-	(19,962,690)	-	(57,685,223)	(42,581,090)	(457,421,643)	(101,816)	2,495,420		
Changes in assumptions	53,664,207	(13,585,665)	23,159,404	(77,424,449)	43,231,775	38,477,648	(17,737,265)	(7,975,348)		
Benefit payments	(16,675,053)	(16,069,383)	(16,125,295)	(15,455,514)	(17,607,606)	(16,735,004)	(23,907,031)	(24,993,401)		
Total change in total OPEB liability	66,264,204	(4,853,233)	34,068,160	(124,024,338)	12,396,818	(406,352,941)	17,219,351	26,166,718		
Total OPEB liability - beginning	378,437,052	383,290,285	349,222,125	473,246,463	460,849,645	867,202,586	849,983,235	823,816,517		
Total OPEB liability - ending	\$ 444,701,256	\$ 378,437,052	\$ 383,290,285	\$ 349,222,125	\$ 473,246,463	\$ 460,849,645	\$ 867,202,586	\$ 849,983,235		
Covered-employee payroll	\$ 151,928,979	\$ 144,669,670	\$ 133,744,577	\$ 120,282,826	\$ 112,061,456	\$ 119,992,187	\$ 124,496,493	\$ 119,321,070		
Total OPEB liability as a percentage of covered-employee payroll	292.7%	261.6%	286.6%	290.3%	422.3%	384.1%	696.6%	712.4%		

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	4.71%	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
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The actuarial cost method is Entry Age Normal.

As of June 30, 2025, the discount rate changed from 3.97% to 4.71%. This resulted in a decrease in the liability.

As of the June 30, 2025 measurement date, the mortality assumption was updated to the sex-distinct and job category-specific headcount weighted Pub-2016 Public Retirement Plans Mortality Tables for employees, healthy retirees, and contingent survivors, then adjusted for mortality improvements with the Scale MP-2021 mortality improvement scale on a generational basis. The revised assumption resulted in an increase in the liability.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Continued...

CITY OF SYRACUSE, NEW YORK

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended June 30:**

	Last 10 Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017**	2016**
City School District:										
Total OPEB Liability										
Service cost	\$ 16,103,170	\$ 14,044,746	\$ 10,088,781	\$ 12,988,416	\$ 8,283,401	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347		
Interest	15,688,902	12,989,287	11,438,195	7,125,017	7,094,705	8,564,800	23,616,910	22,589,595		
Changes of benefit terms	(261,833)	30,807,717	(1,521,525)	(17,300,024)	8,631,106	-	-	-		
Differences between expected and actual experience	-	(9,749,873)	-	15,067,237	19,148,021	(389,052,209)	(2,242,757)	(314,221)		
Changes in assumptions	84,859,991	11,511,722	25,490,327	(47,231,871)	32,233,001	28,637,682	(19,845,230)	(5,655,185)		
Benefit payments	(13,049,295)	(12,421,668)	(13,918,413)	(13,678,239)	(13,617,053)	(12,918,652)	(17,693,310)	(18,514,661)		
Total change in total OPEB liability	103,340,935	47,181,931	31,577,365	(43,029,464)	61,773,181	(356,978,179)	3,181,043	17,208,875		
Total OPEB liability - beginning	385,607,918	338,425,987	306,848,622	349,878,086	288,104,905	645,083,084	641,902,041	624,693,166		
Total OPEB liability - ending	\$ 488,948,853	\$ 385,607,918	\$ 338,425,987	\$ 306,848,622	\$ 349,878,086	\$ 288,104,905	\$ 645,083,084	\$ 641,902,041		
Covered-employee payroll	\$ 308,343,887	\$ 292,629,406	\$ 280,461,140	\$ 264,719,123	\$ 233,839,973	\$ 229,649,395	\$ 225,440,334	\$ 239,120,856		
Total OPEB liability as a percentage of covered-employee payroll	158.6%	131.8%	120.7%	115.9%	149.6%	125.5%	286.1%	268.4%		

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

	2025	2024	2023	2022	2021	2020	2019	2018
Discount rate	4.71%	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%

The actuarial cost method is Entry Age Normal.

As of June 30, 2025, the discount rate changed from 3.97% to 4.71%. This resulted in a decrease in the liability.

As of the June 30, 2025 measurement date, the health plan and benefit contributions were revised for results of collective bargaining agreement settlements. This resulted in a decrease in the liability.

As of the June 30, 2025 measurement date, the annual rate of increase in healthcare costs was revised to better reflect future expectations. This resulted in an increase in the liability.

As of the June 30, 2025 measurement date, the mortality assumption was updated. This resulted in a decrease in the liability.

As of the June 30, 2025 measurement date, the rates of turnover for ERS Tiers 5-6 were revised to match the Tiers 1-4 rates. This resulted in an increase in the liability.

- Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:
- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
 - Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
 - Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Concluded.

CITY OF SYRACUSE, NEW YORK

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30:**

CITY SCHOOL DISTRICT:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.1618636%	0.1528929%	0.1492794%	0.1426346%	0.1508623%	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%
Proportionate share of the net pension liability (asset)	\$ 27,753	\$ 22,512	\$ 32,012	\$ (11,660)	\$ 150	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238
Covered-employee payroll	\$ 57,816	\$ 56,295	\$ 50,406	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.00%	39.99%	63.51%	-25.14%	0.35%	86.23%	24.67%	10.65%	32.92%	57.28%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.132673%	1.134658%	1.164091%	1.081102%	1.147097%	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%
Proportionate share of the net pension liability (asset)	\$ (33,795)	\$ 12,976	\$ 22,338	\$ (187,345)	\$ 31,697	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)
Covered-employee payroll	\$ 226,710	\$ 214,071	\$ 212,409	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-14.91%	6.06%	10.52%	-91.04%	17.27%	-15.18%	-10.76%	-4.80%	6.95%	-69.17%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

CITY:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.1527396%	0.1426326%	0.1262556%	0.1284598%	0.1425586%	0.1459257%	0.1515259%	0.1498164%	0.1496258%	0.1546223%
Proportionate share of the net pension liability (asset)	\$ 5,733	\$ 21,001	\$ 27,074	\$ (10,501)	\$ 142	\$ 38,642	\$ 10,736	\$ 4,835	\$ 14,059	\$ 24,817
Covered-employee payroll	\$ 53,708	\$ 48,764	\$ 44,261	\$ 37,920	\$ 37,537	\$ 41,924	\$ 41,494	\$ 42,076	\$ 43,056	\$ 42,286
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.67%	43.07%	61.17%	-27.69%	0.38%	92.17%	25.87%	11.49%	32.65%	58.69%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.9104930%	1.9747513%	2.0537776%	1.8777079%	1.9581470%	2.0404490%	1.8935108%	2.074932%	2.073579%	2.134004%
Proportionate share of the net pension liability (asset)	\$ 28,698	\$ 93,659	\$ 113,173	\$ 10,666	\$ 33,999	\$ 109,061	\$ 31,755	\$ 20,973	\$ 42,978	\$ 63,183
Covered-employee payroll	\$ 87,378	\$ 85,639	\$ 83,644	\$ 80,741	\$ 69,464	\$ 71,697	\$ 75,566	\$ 71,067	\$ 72,008	\$ 73,152
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.84%	109.36%	135.30%	13.21%	48.94%	152.11%	42.02%	29.51%	59.69%	86.37%
Plan fiduciary net position as a percentage of the total pension liability (asset)	87.53%	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.90%	93.50%	90.24%

SURA:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0121494%	0.0104762%	0.0077039%	0.0083605%	0.0099196%	0.0011720%	0.0129521%	0.0135654%	0.0131048%	0.0127652%
Proportionate share of the net pension liability (asset)	\$ 2,083	\$ 1,543	\$ 1,652	\$ (683)	\$ 10	\$ 3,104	\$ 918	\$ 438	\$ 1,231	\$ 2,049
Covered-employee payroll	\$ 3,510	\$ 2,852	\$ 2,518	\$ 2,518	\$ 2,858	\$ 3,153	\$ 3,547	\$ 3,398	\$ 3,266	\$ 2,958
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.34%	54.10%	65.61%	-27.14%	0.35%	98.44%	25.87%	12.89%	37.69%	69.27%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

CITY OF SYRACUSE, NEW YORK

**Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended June 30:**

CITY SCHOOL DISTRICT:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 7,887	\$ 6,083	\$ 4,926	\$ 6,406	\$ 6,148	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656
Contributions in relation to the contractually required contribution	7,887	6,083	4,926	6,406	6,148	5,898	5,984	5,650	5,409	5,656
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 57,816	\$ 56,295	\$ 50,406	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080
Contributions as a percentage of covered-employee payroll	13.64%	10.81%	9.77%	13.81%	14.24%	12.96%	13.73%	13.07%	13.76%	15.25%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 22,828	\$ 21,108	\$ 21,564	\$ 17,487	\$ 17,250	\$ 20,169	\$ 18,028	\$ 20,788	\$ 23,283	\$ 27,692
Contributions in relation to the contractually required contribution	22,828	21,108	21,564	17,487	17,250	20,169	18,028	20,788	23,283	27,692
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 226,710	\$ 214,071	\$ 212,409	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918
Contributions as a percentage of covered-employee payroll	10.07%	9.86%	10.15%	8.50%	9.40%	10.36%	9.50%	11.72%	13.28%	17.54%

CITY:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 6,482	\$ 5,631	\$ 5,045	\$ 5,586	\$ 5,722	\$ 5,680	\$ 5,905	\$ 5,905	\$ 6,156	\$ 6,600
Contributions in relation to the contractually required contribution	6,482	5,631	5,045	5,586	5,722	5,680	5,905	5,905	6,156	6,600
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 53,708	\$ 48,764	\$ 44,261	\$ 37,920	\$ 37,537	\$ 41,924	\$ 41,494	\$ 42,076	\$ 43,056	\$ 42,286
Contributions as a percentage of covered-employee payroll	12.07%	11.55%	11.40%	14.73%	15.24%	13.55%	14.23%	14.03%	14.30%	15.61%

NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 27,242	\$ 23,587	\$ 22,153	\$ 20,377	\$ 18,038	\$ 18,764	\$ 17,400	\$ 18,377	\$ 18,918	\$ 17,767
Contributions in relation to the contractually required contribution	27,242	23,587	22,153	20,377	18,038	18,764	17,400	18,377	18,918	17,767
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 87,378	\$ 85,639	\$ 83,644	\$ 80,741	\$ 69,464	\$ 71,697	\$ 75,566	\$ 71,067	\$ 72,008	\$ 73,152
Contributions as a percentage of covered-employee payroll	31.18%	27.54%	26.48%	25.24%	25.97%	26.17%	23.03%	25.86%	26.27%	24.29%

SURA:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 455	\$ 318	\$ 263	\$ 356	\$ 370	\$ 430	\$ 471	\$ 484	\$ 453	\$ 427
Contributions in relation to the contractually required contribution	455	318	263	356	370	430	471	484	453	427
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,510	\$ 2,852	\$ 2,518	\$ 2,518	\$ 2,858	\$ 3,153	\$ 3,547	\$ 3,398	\$ 3,266	\$ 2,958
Contributions as a percentage of covered-employee payroll	12.96%	11.15%	10.44%	14.12%	12.95%	13.64%	13.28%	14.24%	13.87%	14.44%

CITY OF SYRACUSE, NEW YORK

**Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025**

	Capital Projects Fund - City School District	Joint Schools Construction Board	Debt Service (Combined)	Permanent Funds (Combined)	Special Revenue (Combined)	Total Nonmajor Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ -	\$ -	\$ -	\$ -	\$ 4,218,722	\$ 4,218,722
Restricted cash and cash equivalents	-	19,518,869	17,395,086	27,944	11,401,569	48,343,468
Loans receivable	-	-	-	-	14,727,024	14,727,024
Accounts receivable	-	-	2,537,932	-	108,167	2,646,099
Taxes receivable, net	-	-	-	-	358,821	358,821
Due from other funds	35,387,885	-	965,164	-	9,726,886	46,079,935
Due from other governments	4,741,840	-	-	-	28,204,667	32,946,507
Due from component units	-	-	-	-	376,534	376,534
Inventories	-	-	-	-	705,154	705,154
Other assets	-	-	-	-	14,797	14,797
Total assets	\$ 40,129,725	\$ 19,518,869	\$ 20,898,182	\$ 27,944	\$ 69,842,341	\$150,417,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities:						
Accounts payable and accrued expenditures	\$ 1,584,914	\$ 63,046	\$ -	\$ -	\$ 4,651,012	\$ 6,298,972
Due to other funds	-	5,132,681	-	-	29,006,833	34,139,514
Due to other governments	-	-	-	-	54,225	54,225
Amounts due to retirement systems	-	-	-	-	140,771	140,771
Unearned revenue	-	-	-	-	6,102,206	6,102,206
Bond anticipation notes payable	-	2,000,000	-	-	-	2,000,000
Loans payable	-	-	-	-	14,293,533	14,293,533
Other liabilities	-	-	-	-	82,997	82,997
Total liabilities	1,584,914	7,195,727	-	-	54,331,577	63,112,218
Deferred inflows of resources:						
Deferred inflows - unavailable revenue	-	-	2,537,932	-	478,062	3,015,994
Fund Balance:						
Nonspendable	-	-	-	10,000	705,154	715,154
Restricted	38,544,811	12,323,142	18,360,250	17,944	14,327,548	83,573,695
Unassigned	-	-	-	-	-	-
Total fund balances	38,544,811	12,323,142	18,360,250	27,944	15,032,702	84,288,849
Total liabilities, deferred inflows of resources and fund balance	\$ 40,129,725	\$ 19,518,869	\$ 20,898,182	\$ 27,944	\$ 69,842,341	\$150,417,061

CITY OF SYRACUSE, NEW YORK

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025**

	Capital Projects Fund - City School District	Joint Schools Construction Board	Debt Service (Combined)	Permanent Funds (Combined)	Special Revenue (Combined)	Total Nonmajor Governmental Funds
REVENUES:						
General property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ 6,889,204	\$ 6,889,204
Other local taxes	-	-	802,663	-	-	802,663
Use of money and property	-	264,832	84,516	317	33,651	383,316
Sale of property and compensation for loss	-	-	-	-	11,817	11,817
Federal and state aid and other grants	2,064,349	728,701	-	-	55,033,805	57,826,855
Surplus food	-	-	-	-	1,112,096	1,112,096
Sales-School Food Service Program	-	-	-	-	94,094	94,094
Pass-through NYS Funding from District	-	34,552,662	-	-	-	34,552,662
Other revenues	-	-	-	-	962,783	962,783
Total revenues	2,064,349	35,546,195	887,179	317	64,137,450	102,635,490
EXPENDITURES:						
General government support	-	-	-	-	8,695,832	8,695,832
Public safety	-	-	-	-	5,579,710	5,579,710
Transportation	-	-	-	-	3,540,430	3,540,430
Economic opportunity and development	-	-	-	-	574,671	574,671
Home and community services	-	-	-	-	15,319,123	15,319,123
Culture and recreation	-	-	-	-	434,017	434,017
Education	-	-	-	-	136,715	136,715
Principal debt payments	-	19,835,000	23,493,039	-	130,096	43,458,135
Interest on debt	-	11,217,663	5,309,268	-	18,406	16,545,337
Capital outlays	11,921,629	149,223	-	-	8,262,705	20,333,557
Food Service Program	-	-	-	-	17,071,945	17,071,945
Total expenditures	11,921,629	31,201,886	28,802,307	-	59,763,650	131,689,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,857,280)	4,344,309	(27,915,128)	317	4,373,800	(29,053,982)
OTHER FINANCING SOURCES (USES):						
Bond proceeds	-	-	-	-	5,619,000	5,619,000
Premium on bond anticipation notes	-	11,440	-	-	-	11,440
Premium on bonds	-	-	586,257	-	-	586,257
Operating transfers in	21,457,988	-	28,066,068	-	500,000	50,024,056
Operating transfers out	-	(1,095,675)	-	-	(2,776,955)	(3,872,630)
Total other financing sources (uses)	21,457,988	(1,084,235)	28,652,325	-	3,342,045	52,368,123
CHANGE IN FUND BALANCES	11,600,708	3,260,074	737,197	317	7,715,845	23,314,141
FUND BALANCE - beginning of year, as previously reported	26,944,103	-	17,623,053	27,627	7,316,857	51,911,640
Adjustment - changes in nonmajor and major funds	-	9,063,068	-	-	-	9,063,068
FUND BALANCE - beginning of year, as restated	26,944,103	9,063,068	17,623,053	27,627	7,316,857	60,974,708
FUND BALANCE - end of year	\$ 38,544,811	\$ 12,323,142	\$ 18,360,250	\$ 27,944	\$ 15,032,702	\$ 84,288,849

CITY OF SYRACUSE, NEW YORK

**Combining Balance Sheet - Debt Service Funds
June 30, 2025**

	<u>City School District</u>	<u>City</u>	<u>Total Debt Service Funds</u>
ASSETS			
Restricted cash and cash equivalents	\$ -	\$ 17,395,086	\$ 17,395,086
Due from other funds	965,164	-	965,164
Accounts receivable	<u>-</u>	<u>2,537,932</u>	<u>2,537,932</u>
 Total assets	 <u>\$ 965,164</u>	 <u>\$ 19,933,018</u>	 <u>\$ 20,898,182</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Deferred inflows of resources:			
Deferred inflows - unavailable revenue	<u>\$ -</u>	<u>\$ 2,537,932</u>	<u>\$ 2,537,932</u>
Fund Balance:			
Restricted	<u>965,164</u>	<u>17,395,086</u>	<u>18,360,250</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 965,164</u>	 <u>\$ 19,933,018</u>	 <u>\$ 20,898,182</u>

CITY OF SYRACUSE, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Debt Service Funds For the Year Ended June 30, 2025

	City School District	City	Total Debt Service Funds
REVENUES:			
Other local taxes	\$ -	\$ 802,663	\$ 802,663
Use of money and property	<u>-</u>	<u>84,516</u>	<u>84,516</u>
Total revenues	<u>-</u>	<u>887,179</u>	<u>887,179</u>
EXPENDITURES:			
Principal debt payments	2,275,000	21,218,039	23,493,039
Interest on debt	<u>309,975</u>	<u>4,999,293</u>	<u>5,309,268</u>
Total expenditures	<u>2,584,975</u>	<u>26,217,332</u>	<u>28,802,307</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(2,584,975)</u>	<u>(25,330,153)</u>	<u>(27,915,128)</u>
OTHER FINANCING SOURCES:			
Premium on bonds	-	586,257	586,257
Operating transfers in	<u>2,584,975</u>	<u>25,481,093</u>	<u>28,066,068</u>
Total other financing sources	<u>2,584,975</u>	<u>26,067,350</u>	<u>28,652,325</u>
CHANGE IN FUND BALANCE	-	737,197	737,197
FUND BALANCE - beginning of year	<u>965,164</u>	<u>16,657,889</u>	<u>17,623,053</u>
FUND BALANCE - end of year	<u>\$ 965,164</u>	<u>\$ 17,395,086</u>	<u>\$ 18,360,250</u>

CITY OF SYRACUSE, NEW YORK

**Combining Balance Sheet - Permanent Funds
June 30, 2025**

	<u>City School District</u>	<u>City</u>	<u>Total Permanent Funds</u>
ASSETS			
Restricted cash and cash equivalents	\$ 17,944	\$ 10,000	\$ 27,944
Total assets	<u>\$ 17,944</u>	<u>\$ 10,000</u>	<u>\$ 27,944</u>
FUND BALANCE			
Nonspendable	\$ -	\$ 10,000	\$ 10,000
Restricted	<u>17,944</u>	<u>-</u>	<u>17,944</u>
Total fund balances	<u>\$ 17,944</u>	<u>\$ 10,000</u>	<u>\$ 27,944</u>

CITY OF SYRACUSE, NEW YORK

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Permanent Funds
For the Year Ended June 30, 2025**

	City School District	City	Total Permanent Funds
REVENUES:			
Use of money and property	\$ 317	\$ -	\$ 317
Total revenues	<u>317</u>	<u>-</u>	<u>317</u>
CHANGE IN FUND BALANCE	317	-	317
FUND BALANCE - beginning of year	<u>17,627</u>	<u>10,000</u>	<u>27,627</u>
FUND BALANCE - end of year	<u>\$ 17,944</u>	<u>\$ 10,000</u>	<u>\$ 27,944</u>

CITY OF SYRACUSE, NEW YORK

**Combining Balance Sheet - Special Revenue Funds
June 30, 2025**

	Neighborhood & Business Development	Special Grants	Special Assessment Districts	Oil & Flushing	Sidewalk	Syracuse Urban Renewal	School Food Service	Miscellaneous Special Revenue	Miscellaneous Trusts (Combined)	Total Special Revenue Funds
ASSETS										
Cash, cash equivalents and investments	\$ -	\$ -	\$ 376,893	\$ -	\$ -	\$ 3,683,386	\$ -	\$ 158,443	\$ -	\$ 4,218,722
Restricted cash and cash equivalents	2,968,768	2,002,810	-	3,428,816	812,468	154,046	-	-	2,034,661	11,401,569
Loans receivable	14,293,533	-	-	-	-	433,491	-	-	-	14,727,024
Accounts receivable	92,750	4,285	929	-	2,058	-	8,145	-	-	108,167
Taxes receivable, net	-	-	47,360	-	311,461	-	-	-	-	358,821
Due from other funds	-	-	-	-	-	4,683,568	5,043,318	-	-	9,726,886
Due from other governments	3,292,050	17,908,060	-	-	5,640,595	-	1,363,962	-	-	28,204,667
Due from component units	-	-	-	-	-	376,534	-	-	-	376,534
Inventories	-	-	-	-	-	-	705,154	-	-	705,154
Other assets	-	-	-	-	-	14,797	-	-	-	14,797
Total assets	\$ 20,647,101	\$ 19,915,155	\$ 425,182	\$ 3,428,816	\$ 6,766,582	\$ 9,345,822	\$ 7,120,579	\$ 158,443	\$ 2,034,661	\$ 69,842,341
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE										
Liabilities:										
Accounts payable and accrued expenditures	\$ 579,672	\$ 2,336,629	\$ 94,870	\$ 19,336	\$ 820,928	\$ 227,250	\$ 563,526	\$ 4,858	\$ 3,943	\$ 4,651,012
Due to other funds	4,840,024	15,575,716	-	-	3,287,390	5,303,703	-	-	-	29,006,833
Due to other governments	54,074	-	-	-	-	-	151	-	-	54,225
Amounts due to retirement systems	-	-	-	-	-	140,771	-	-	-	140,771
Unearned revenue	796,801	2,002,810	-	-	-	3,302,595	-	-	-	6,102,206
Loans payable	14,293,533	-	-	-	-	-	-	-	-	14,293,533
Other liabilities	82,997	-	-	-	-	-	-	-	-	82,997
Total liabilities	20,647,101	19,915,155	94,870	19,336	4,108,318	8,974,319	563,677	4,858	3,943	54,331,577
Deferred inflows of resources:										
Deferred inflows - unavailable revenue	-	-	39,304	-	288,758	150,000	-	-	-	478,062
Fund Balance:										
Nonspendable	-	-	-	-	-	-	705,154	-	-	705,154
Restricted	-	-	291,008	3,409,480	2,369,506	221,503	5,851,748	153,585	2,030,718	14,327,548
Total fund balance	-	-	291,008	3,409,480	2,369,506	221,503	6,556,902	153,585	2,030,718	15,032,702
Total liabilities, deferred inflows of resources and fund balance	\$ 20,647,101	\$ 19,915,155	\$ 425,182	\$ 3,428,816	\$ 6,766,582	\$ 9,345,822	\$ 7,120,579	\$ 158,443	\$ 2,034,661	\$ 69,842,341

CITY OF SYRACUSE, NEW YORK

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Special Revenue Funds
For the Year Ended June 30, 2025**

	Neighborhood & Business Development	Special Grants	Special Assessment Districts	Oil & Flushing	Sidewalk	Syracuse Urban Renewal	School Food Service	Miscellaneous Special Revenue	Miscellaneous Trusts (Combined)	Total Special Revenue Funds
REVENUES:										
General property taxes and tax items	\$ -	\$ -	\$ 1,263,666	\$ 2,844,699	\$ 2,780,839	\$ -	\$ -	\$ -	\$ -	\$ 6,889,204
Use of money and property	-	-	-	-	-	17,288	152	-	16,211	33,651
Sale of property and compensation for loss	-	-	-	-	-	11,717	100	-	-	11,817
Federal and state aid and other grants	9,901,982	18,397,695	-	-	9,653,791	-	17,080,337	-	-	55,033,805
Surplus food	-	-	-	-	-	-	1,112,096	-	-	1,112,096
Sales-School Food Service Program	-	-	-	-	-	-	94,094	-	-	94,094
Other revenues	-	-	-	-	-	560,979	11,075	173,207	217,522	962,783
Total revenues	9,901,982	18,397,695	1,263,666	2,844,699	12,434,630	589,984	18,297,854	173,207	233,733	64,137,450
EXPENDITURES:										
General government support	-	7,410,257	1,285,575	-	-	-	-	-	-	8,695,832
Public safety	-	5,139,644	-	-	-	-	-	-	440,066	5,579,710
Transportation	-	-	-	2,506,919	1,033,511	-	-	-	-	3,540,430
Economic opportunity and development	-	-	-	-	-	574,671	-	-	-	574,671
Home and community services	9,901,982	5,417,141	-	-	-	-	-	-	-	15,319,123
Culture and recreation	-	430,653	-	-	-	-	-	-	3,364	434,017
Education	-	-	-	-	-	-	-	136,715	-	136,715
Principal debt payments	-	-	-	-	-	-	130,096	-	-	130,096
Interest on debt	-	-	-	-	-	-	18,406	-	-	18,406
Capital outlays	-	-	-	-	8,262,705	-	-	-	-	8,262,705
Food Service Program	-	-	-	-	-	-	17,071,945	-	-	17,071,945
Total expenditures	9,901,982	18,397,695	1,285,575	2,506,919	9,296,216	574,671	17,220,447	136,715	443,430	59,763,650
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(21,909)	337,780	3,138,414	15,313	1,077,407	36,492	(209,697)	4,373,800
OTHER FINANCING SOURCES (USES):										
Bond proceeds	-	-	-	1,869,000	3,750,000	-	-	-	-	5,619,000
Operating transfers in	-	-	-	-	500,000	-	-	-	-	500,000
Operating transfers out	-	-	-	(455,175)	(1,244,373)	-	(1,077,407)	-	-	(2,776,955)
Total other financing sources (uses)	-	-	-	1,413,825	3,005,627	-	(1,077,407)	-	-	3,342,045
CHANGE IN FUND BALANCE	-	-	(21,909)	1,751,605	6,144,041	15,313	-	36,492	(209,697)	7,715,845
FUND BALANCE - beginning of year	-	-	312,917	1,657,875	(3,774,535)	206,190	6,556,902	117,093	2,240,415	7,316,857
FUND BALANCE - end of year	\$ -	\$ -	\$ 291,008	\$ 3,409,480	\$ 2,369,506	\$ 221,503	\$ 6,556,902	\$ 153,585	\$ 2,030,718	\$ 15,032,702

CITY OF SYRACUSE, NEW YORK

**Combining Balance Sheet - Miscellaneous Trust Funds
June 30, 2025**

	<u>Police Trust</u>	<u>Parks Trusts</u>	<u>Fire Trust</u>	<u>General Government Trusts</u>	<u>Francis Hendricks</u>	<u>Police State Seizures</u>	<u>Police Federal Seizures</u>	<u>Total Miscellaneous Trust Funds</u>
ASSETS								
Restricted cash and cash equivalents	\$ 172,165	\$ 192,176	\$ 136,718	\$ 70,316	\$ 1,150	\$ 269,750	\$ 1,192,386	\$ 2,034,661
Total assets	<u>\$ 172,165</u>	<u>\$ 192,176</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 1,150</u>	<u>\$ 269,750</u>	<u>\$ 1,192,386</u>	<u>\$ 2,034,661</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,943	\$ -	\$ 3,943
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,943</u>	<u>-</u>	<u>3,943</u>
Fund Balance:								
Restricted	<u>172,165</u>	<u>192,176</u>	<u>136,718</u>	<u>70,316</u>	<u>1,150</u>	<u>265,807</u>	<u>1,192,386</u>	<u>2,030,718</u>
Total liabilities and fund balance	<u>\$ 172,165</u>	<u>\$ 192,176</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 1,150</u>	<u>\$ 269,750</u>	<u>\$ 1,192,386</u>	<u>\$ 2,034,661</u>

CITY OF SYRACUSE, NEW YORK

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Miscellaneous Trust Funds
For the Year Ended June 30, 2025**

	Police Trust	Parks Trusts	Fire Trust	General Government Trusts	Francis Hendricks	Police State Seizures	Police Federal Seizures	Total Miscellaneous Trust Funds
REVENUES:								
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ 260	\$ 5,320	\$ 10,631	\$ 16,211
Other revenues	<u>22,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,356</u>	<u>153,806</u>	<u>217,522</u>
Total revenues	<u>22,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260</u>	<u>46,676</u>	<u>164,437</u>	<u>233,733</u>
EXPENDITURES:								
Public safety	42,918	-	-	-	-	18,719	378,429	440,066
Culture and recreation	<u>-</u>	<u>3,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,364</u>
Total expenditures	<u>42,918</u>	<u>3,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,719</u>	<u>378,429</u>	<u>443,430</u>
CHANGE IN FUND BALANCE	(20,558)	(3,364)	-	-	260	27,957	(213,992)	(209,697)
FUND BALANCE - beginning of year	<u>192,723</u>	<u>195,540</u>	<u>136,718</u>	<u>70,316</u>	<u>890</u>	<u>237,850</u>	<u>1,406,378</u>	<u>2,240,415</u>
FUND BALANCE - end of year	<u>\$ 172,165</u>	<u>\$ 192,176</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 1,150</u>	<u>\$ 265,807</u>	<u>\$ 1,192,386</u>	<u>\$ 2,030,718</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

February 26, 2026

To the Honorable Mayor, Sharon Owens
and the Members of the Common Council:
City of Syracuse, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Syracuse, New York as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Syracuse, New York's basic financial statements, and have issued our report thereon dated February 26, 2026. Our report includes a reference to other auditors who audited the financial statements of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation and Syracuse Regional Airport Authority, which are discretely presented component units. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. This report also does not include the results of City School District of Syracuse, New York's, Greater Syracuse Property Development Corporation's, or Syracuse Urban Renewal Agency's testing of internal control over financial reporting or compliance and other matters that are reported on in separate reports.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Syracuse, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Syracuse, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Syracuse, New York's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Report on Internal Control over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, and 2025-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Syracuse, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

February 26, 2026

To the Honorable Mayor, Sharon Owens
and the Members of the Common Council
City of Syracuse, New York

Report on Compliance For Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Syracuse, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Syracuse, New York's major federal programs for the year ended June 30, 2025. The City of Syracuse, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the: Home Investment Partnerships Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Syracuse, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Home Investment Partnerships Program for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, City of Syracuse, New York complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis For Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

Basis For Qualified and Unmodified Opinions (Continued)

We are required to be independent of the City of Syracuse, New York and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City of Syracuse, New York's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on 14.239: Home Investment Partnerships Program

As described in the accompanying schedule of findings and questioned costs, the City of Syracuse, New York did not comply with requirements regarding the Home Investment Partnerships Program as described in finding number 2025-005 for Special Tests and Provisions.

Compliance with this requirement is necessary in our opinion, for the City of Syracuse, New York to comply with the requirements applicable to that program.

Other Matters - Federal Expenditures Not Included in the Compliance Audit

The City of Syracuse, New York's financial statements include the operations of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation, Syracuse Urban Renewal Agency, Greater Syracuse Property Development Corporation, City School District of Syracuse, New York, and Syracuse Regional Airport Authority whose federal awards are not included in the schedule of expenditures of federal awards for the year ended June 30, 2025. Our audit, described below, did not include the federal awards of the above entities as these entities conducted separate audits in accordance with the Uniform Guidance, if required.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Syracuse, New York's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Syracuse, New York's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Syracuse, New York's compliance with the requirements of each major federal program as a whole.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

Auditor's Responsibilities for the Audit of Compliance (Continued)

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Syracuse, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Syracuse, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Syracuse, New York's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore material weaknesses or significant deficiencies may exist that were not identified. However as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

Report on Internal Control over Compliance (Continued)

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-005 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CITY OF SYRACUSE, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Grant Identifying Number	Agency or Pass- Through Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of Housing and Urban Development					
Direct:					
Community Development Block Grants/Entitlement Grants:					
	14.218	B-21-MC-36-0108	N/A	\$ 40,000	
	14.218	B-22-MC-36-0108	N/A	31,029	
	14.218	B-23-MC-36-0108	N/A	617,988	
	14.218	B-24-MC-36-0108	N/A	4,176,319	
	14.218	B-25-MC-36-0108	N/A	30,662	
COVID-19: Community Development Block Grants	14.218	COVID-19 - B-20- MW-36-0108	N/A	<u>(45,659)</u>	
Total Community Development Block Grants/Entitlement Grants:				<u>4,850,339</u>	<u>4,224,677</u>
Passed through NYS Office of Community Renewal					
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii:					
COVID-19: Community Development Block Grants	14.228	COVID-19 - 3132CVHCR32-21	3132CVHCR32- 21	<u>1,139,650</u>	<u>1,139,650</u>
Direct:					
Emergency Solutions Grant Program:					
	14.231	E-22-MC-36-0108	N/A	89	
	14.231	E-23-MC-36-0108	N/A	7,110	
	14.231	E-24-MC-36-0108	N/A	<u>420,292</u>	
Total Emergency Solutions Grant Program				<u>427,491</u>	<u>403,836</u>
Home Investment Partnerships Program:					
	14.239	M-21-MC-360505	N/A	19,658	
	14.239	M-22-MC-360505	N/A	725,107	
	14.239	M-23-MC-360505	N/A	1,882	
	14.239	M-24-MC-360505	N/A	511,147	
	14.239	M-25-MC-360505	N/A	10,278	
COVID-19: Home Investment Partnerships Program	14.239	M-21-MP-360505	N/A	<u>2,216,429</u>	
Total Home Investment Partnerships Program				<u>3,484,501</u>	<u>3,314,435</u>
Total U.S. Department of Housing and Urban Development				<u>9,901,981</u>	<u>9,082,598</u>

CITY OF SYRACUSE, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Grant Identifying Number	Agency or Pass-Through Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of Transportation					
Passed-through NYS Department of Transportation:					
Highway Planning and Construction Cluster:					
N, S, E, W Interconnect	20.205	375479	1000002582	1,600,247	
Creekwalk Phase II	20.205	375514	1000002582	1,299	
Teall Ave Resurfacing	20.205	375586	1000002582	36	
19/20 W. Genesee St. Rd Improvement	20.205	375624	1000002582	1,008,155	
19/20 PSAP Project	20.205	375649	1000002582	4,914	
Pedestrian Safety Action Plan Phase 2	20.205	375679	1000002582	48,321	
E Brighton Ave Paving Project	20.205	375680	1000002582	141,420	
E Colvin Street Paving Project	20.205	375681	1000002582	91,530	
20/21 E Colvin St Paving TIP #	20.205	375682	1000002582	1,020	
Midland Ave. Paving Project	20.205	375683	1000002582	127,449	
NSEW Interconnect Project Ph 2	20.205	375708	1000002582	96,704	
Creekwalk 3 W Colvin to Dorwin	20.205	375710	1000002582	200,363	
James Street Paving Project	20.205	375711	1000002582	434,053	
Erie Blvd E. Paving Improvement	20.205	375714	1000002582	50,281	
RTC/Regional Mkt Area Mobility	20.205	375717	1000002582	57,575	
Rte 175 Onondaga Creek Bridge	20.205	375719	1000002582	62,224	
19/20 Lodi Street Connector 3950.72	20.205	395072	1000002582	2,340	
Kirk Park Pedestrian Bridge	20.205	395079	1000002582	33,168	
Erie Blvd W Pedestrian & Bike	20.205	395080	1000002582	81,247	
Total Highway Planning and Construction Cluster				<u>4,042,346</u>	
Passed through NYS Governor's Traffic Safety Committee					
State and Community Highway Safety:					
NYS GTSC Traffic Safety 2024	20.600	PTS-2021-SCPD-00021	1000002582	31,507	
NYS GTSC -Highway Safety Grant	20.600	HS1-2019-SCPD-00069	1000002582	42,769	
FY25 NYS GTSC PTS	20.600	PTS-2025-SCPD-00059	1000002582	14,630	
Total State and Community Highway Safety				<u>88,906</u>	
Direct:					
Reconnecting Communities Pilot Discretionary Grant Program					
Reconnecting Communities Grant	20.940	DOT-RCP-FY22-01	N/A	<u>80,508</u>	
Total U.S. Department of Transportation				<u>4,211,760</u>	

CITY OF SYRACUSE, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Grant Identifying Number	Agency or Pass- Through Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of the Interior					
Direct:					
Natural Resource Damage Assessment and Restoration:					
Creekwalk Riparian	15.658	F20AC00292	N/A	74,909	
20/21 OnCreek Kay/Canoe Launch	15.568	F20AC10336-00	N/A	<u>387,278</u>	
Total Natural Resource Damage Assessment and Restoration				<u>462,187</u>	
Historic Preservation Fund Grants-In-Aid					
CLG Handbook Document Project	15.904	PRK01-T62209GG-1290000	N/A	<u>24,580</u>	
Total U.S. Department of the Interior				<u>486,767</u>	
U.S. Department of Justice					
Direct:					
Community-Based Violence Intervention and Prevention Initiative					
Community Violence Intervention 2022	16.045	15PBJA-22-GG-04746-CVIP	N/A	<u>475,034</u>	
Project Safe Neighborhoods					
Project Safe Neighborhoods 2021	16.609	15PBJA-21-GG-03048-GUNP	N/A	<u>97,428</u>	
Public Safety Partnership and Community Policing Grants:					
COPS Accreditation Grant	16.710	15JCOPS-21-GG-02577-SPPS	N/A	<u>15,145</u>	
Edward Byrne Memorial Justice Assistance Grant:					
Edward Byrne Memorial JAG	16.738	15PBJA-22-GG-02110-JAGX	N/A	27,788	
2023 US DOJ JAG -Credible Mess	16.738	15PBJA-23-GG-03670-JAGX	N/A	28,541	
2024 US DOJ Byrne JAG Grant	16.738	15PBJA-24-GG-05221-JAGX	N/A	25,613	
NYS DCJS License Plate Readers	16.738	2018-DJ-BX-0098	N/A	<u>74,000</u>	
Total Edward Byrne Memorial Justice Assistance Grant				<u>155,942</u>	
Congressionally Recommended Awards					
2022 Byrne Grant	16.753	15PBJA-23-GG-00228-BRND	N/A	500,000	
2023 US DOJ Byrne - PAL	16.753	15PJDP-24-GG-00792-BRND	N/A	<u>6,000</u>	
Total Congressionally Recommended Awards				<u>506,000</u>	
Total U.S. Department of Justice				<u>1,249,549</u>	
U.S Department of Labor					
Direct:					
Community Project Funding/Congressionally Directed Spending					
Syracuse Build Urban Opportunity	17.289	23A60CP000122	N/A	<u>12,983</u>	
Total U.S Department of Labor				<u>12,983</u>	
U.S Department of Energy					
Direct:					
Energy Efficiency and Conservation Block Grant Program (EECBG)					
EECBG	17.289	DESC0002919	N/A	<u>181,478</u>	
Total U.S Department of Energy				<u>181,478</u>	

CITY OF SYRACUSE, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Grant Identifying Number	Agency or Pass- Through Number	Federal Expenditures	Provided to Subrecipients
U.S Consumer Product Safety Commission					
Direct:					
Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Grants CPSC Carbon Monoxide Alarms	87.003	NZBCP240010-01-00	N/A	11,532	
Total U.S Consumer Product Safety Commission				<u>11,532</u>	
U.S Department of Health and Human Services					
Direct:					
Community Health Workers for Public Health Response and Resilient 2021 CDC Grant	93.495	NU58-DP-00-7001	N/A	185,642	
Total U.S Department of Health and Human Services				<u>185,642</u>	
U.S. Department of Homeland Security					
Direct:					
Assistance to Firefighters Grant:					
FEMA AFG 2022	97.044	EMW-2022-FG-01604	N/A	290,312	
FEMA Fire Prevention & Safety	97.044	EMW-2021-FP-00150	N/A	5,055	
Total Assistance to Firefighters Grant				<u>295,367</u>	
Building Resilient Infrastructure and Communities (BRIC)					
FEMA Mitigation Program	97.047	C000859	N/A	27,960	
Staffing for Adequate Fire and Emergency Response (SAFER)					
FEMA, 2020 SAFER Program	97.083	EMW-2020-FF-00730	N/A	916,021	
DHS FEMA SAFER Grant	97.083	EMW-2023-FF-00947	N/A	770,562	
Total Staffing for Adequate Fire and Emergency Response (SAFER)				<u>1,686,583</u>	
Passed-through NYS Division of Homeland Security and Emergency Services (DHSES):					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
Emergency Work - Furnace Brook	97.036	ID-4625DRNYP1SNY	1000002582	322,447	
Passed-through NYS Division of Homeland Security and Emergency Services (DHSES)					
Homeland Security Grant Program:					
FY20 Critical Infrastructure	97.067	CI20-1021-E00	1000002582	24,820	
2022 Homeland Security	97.067	SH22-1026-D00	1000002582	153,094	
2023 SHSP NYS DHSES	97.067	SH23-1017-D00	1000002582	44,801	
SHSP 2020	97.067	WM20152900	1000002582	30,494	
FY20 Bomb Squad Grant	97.067	WM20160089	1000002582	24,047	
2021 Homeland Security (SHSP)	97.067	WM21152910	1000002582	37,210	
Critical Infrastructure 2021	97.067	CI21-1003-E00	1000002582	26,663	
2024 SHSP NYS DHSES	97.067	SH24-1059-D00	1000002582	77,337	
FY21 Bomb Squad Grant	97.067	BS21-1009-D00	1000002582	82,733	
FY22 Bomb Squad Grant	97.067	BS22-1009-D00	1000002582	58,164	
Total Homeland Security Grant Program				<u>559,363</u>	
Total U.S. Department of Homeland Security				<u>2,891,720</u>	
U.S. Department of Treasury					
Direct:					
Equitable Sharing Fund	21.016	15-6400-5-5-123	N/A	366,155	
COVID-19: Coronavirus State and Local Fiscal Recovery Fund	21.027	ARPA	N/A	23,621,878	
Total U.S. Department of Treasury				<u>23,988,033</u>	
Total Expenditures of Federal Awards				<u>\$ 43,121,445</u>	<u>\$ 9,082,598</u>

CITY OF SYRACUSE, NEW YORK

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs administered by the City of Syracuse, New York, an entity as defined in the basic financial statements. Federal awards that are included in this schedule may be received from federal agencies, as well as federal awards that are passed through from other governmental agencies. Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

2. MATCHING COSTS

Matching costs (the City's or New York State's share of certain program costs) are not included in the reported expenditures.

3. INDIRECT COSTS

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. The City did not elect to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

4. CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK

The City School District of Syracuse, New York is a component unit of the City of Syracuse, New York. Financial assistance relating to the District is not included in the schedule of expenditures of federal awards; however, a separate single audit report contains the required reports and schedules.

CITY OF SYRACUSE, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiencies identified?

yes none reported

Noncompliance material to financial statements noted?

yes none reported

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiencies identified?

yes none reported

Type of auditor's report issued on compliance for major programs:

14.239 – HOME Investment Partnerships Program

Qualified

All other major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, section 200.516(a)?

yes no

Identification of major programs:

AL Number

Program Title

14.239

Home Investment Partnerships Program

21.027

COVID-19: Coronavirus State and Local Fiscal Recovery

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,293,643

The City was not considered a low-risk auditee for the year ended June 30, 2025.

Part II – Financial Statement Findings

Reference Number: 2025-001

Capital Projects

Criteria:

Internal controls over financial reporting should be properly designed, implemented and monitored to ensure that federal and state aid revenue and related expenditures are properly reported in accordance with generally accepted accounting principles in the United States of America (U.S GAAP).

Cause/Condition:

The City's internal control systems as designed require a manual tracking in spreadsheets outside of the accounting software of spending on capital projects and grant claims to determine accruals of revenue and releases of unearned revenue at year end.

Effect:

Errors in reconciling projects were identified that create opportunities for misstatements to occur. Totals of corrected misstatements in the Capital Projects Fund were as follows:

Overstatement/(Understatement)		
<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>
\$ (1,133,055)	\$ 309,557	\$ (1,442,612)

Recommendation:

The City should review the controls in place over tracking and reconciling capital projects activity. Information should be reviewed frequently to ensure that the claiming process is tied to the financial reporting process.

Response:

The City will continue to assess and strengthen its existing tracking processes to ensure that all grant-related expenditures and receivables are properly recorded and reconciled. Finance staff will participate in additional training focused on grant accounting best practices, reconciliation methods, and internal controls to improve accuracy and consistency. In addition, the City will explore opportunities to integrate grant and capital project tracking into the accounting system to minimize dependence on manual spreadsheets. Potential software upgrades and enhanced reporting tools will also be evaluated to help automate and streamline these functions.

Reference Number: 2025-002

Grant Management

Criteria:

Internal controls over financial reporting and monitoring of grants should be designed so reimbursable projects are tracked, and supporting evidence retained, to allow full reimbursement and claiming in a timely fashion.

Cause/Condition:

The City's internal controls did not operate effectively to ensure it was retaining adequate supporting documentation related to New York State Department of Transportation (NYSDOT) claims. At time of claim submission, the City was not able to review that reimbursement was requested for all project expenditures due to ineffective controls over project expenditure tracking.

Reference Number: 2025-002 (Continued)

Effect:

The City incurred expenditures on NYSDOT projects during the fiscal year ended June 30, 2025 in the amount of \$36,194,095, for which it recognized as revenue \$30,003,931. The City is therefore incurring additional costs either by not being able to earn interest on cash due to delays in reimbursement or failing to request reimbursement for eligible expenditures.

Recommendation:

The City should review the controls in place over monitoring grants and the reimbursement claiming process to ensure available grant funds are fully utilized and to minimize the time between expenditures and reimbursement.

Response:

The City is developing a centralized system to track all grant-related expenditures and supporting documentation, ensuring completeness and accuracy at the time of claim submission, particularly for NYSDOT claims. This initiative is a collaborative effort among the Office of Analytics, Performance & Innovation, the Department of Public Works, and the Finance Department.

As part of this effort, the City will establish a formal reconciliation process to align recorded expenditures with eligible reimbursements, helping to ensure that all allowable costs are promptly identified and submitted for reimbursement. Defined roles and responsibilities will also be established to promote accountability and strengthen oversight within the new reimbursement process.

Reference Number: 2025-003

Procurement Process

Criteria:

Internal controls should be properly designed, implemented and monitored to ensure the City's policies related to procurement are followed and instances of waiving competitive bidding are appropriate and follow approval processes.

Cause/Condition:

Internal controls over procurement did not include a process to properly document the considerations and process when electing to waive the competitive bidding process.

Effect:

Current procedures do not allow for evidence of monitoring by those charged with governance could not be viewed.

Recommendation:

The City should implement and use a standard process to document the reasons for waiving the competitive bid process. This documentation should be acknowledged in the approval of entering contracts as evidence of appropriate governance oversight.

Reference Number 2025-003 (Continued)

Response:

The City is actively enhancing its procurement processes by evaluating current procedures and identifying opportunities for technological improvements. As part of this effort, the City has implemented a digital platform, OpenGov, to modernize and strengthen procurement operations. This system streamlined bid and RFP postings, approval workflows, and contract management, as well standardized a consistent approach to procurement, including instances where competitive bidding requirements are waived. Additionally, a centralized digital repository has been established to securely store and track all procurement documentation, ensuring improved accessibility, transparency, and compliance.

Reference Number: 2025-004

SURA Payroll

Criteria:

Internal controls should be designed and implemented to ensure all transactions are supported by appropriate supporting documentation.

Condition/Cause:

A nonstatistical sample of 23 newly hired SURA employees was selected for testing. The following exceptions were noted:

For 2 out of 23 employees selected, no supporting documentation could be provided.

For 8 out of 23 employees selected, supporting documentation stated the employee's position was part of the primary government (City of Syracuse) rather than SURA.

For 5 out of 23 employees selected, pay rates per supporting documentation did not agree to pay rates charged to SURA.

Effect:

Internal controls were not appropriately implemented to document proper approval of pay rates and positions coded to SURA.

Recommendation:

We recommend that the City and SURA establish a uniform process of onboarding new hires and develop controls to ensure supporting documentation is retained to verify approval of pay rates and positions coded to SURA.

Management's Response:

The City is reviewing SURA's onboarding process to identify opportunities for improved consistency and record retention. This review includes consideration of potential technology enhancements. Management's focus is on strengthening the collection and retention of supporting documentation used to substantiate approved pay rates and the coding of positions to SURA.

Part III - Federal Award Findings and Questioned Costs

Reference Number: 2025-005

**U.S. Department of Housing and Urban Development
Home Investment Partnerships Program (HOME) 14.239**

Program Year: 2025

Criteria:

According to the Uniform Guidance in CFR Part 200, Part IV, Special Tests and Provisions, Section 5 – Housing Quality Standards, participating entities in the HOME program must perform on-site inspections of HOME-assisted rental units to determine compliance with property standards and verify information submitted by property owners is accurate.

Internal controls should provide reasonable assurance that the City complies with all special Tests and Provisions relevant to the program.

Cause/Condition:

The City does not have a process to appropriately identify HOME-assisted rental units on which housing quality inspections are due. As a result, the City did not comply with Uniform Guidance requirements related to inspection of HOME-assisted rental units.

Effect:

The City was not in compliance with Special Tests and Provisions, Section 5 – Housing Quality Standards of the HOME program as stated in the Uniform Guidance.

Recommendation:

The City should develop policies and procedures to ensure that HOME-assisted rental housing projects are inspected no less than 1) every three years for projects containing one to four units, 2) every two years for projects containing five to 25 units, 3) every year for projects containing 26 or more units. The City should maintain documentation of inspections performed and create a system to track latest inspection dates for all HOME-assisted rental housing projects.

Response:

The City remains committed to complying with Uniform Guidance requirements and acknowledges the importance of strengthening internal controls related to the inspection process. To support this effort, a centralized tracking system will be implemented to monitor inspection deadlines for all HOME-assisted rental units. The City will also enhance its policies and procedures to clearly define staff responsibilities, inspection scheduling protocols, documentation standards, and required follow-up actions for units found to be out of compliance.