

**NYS Consolidated Funding Application # 135057**  
**Organization Name:** City of Syracuse  
**Project Name:** Surge Link Municipal Infrastructure  
**City:**    **State:**

Created on  
March 8, 2024 - 05:25 PM  
Application finalized on  
March 8, 2024 - 05:14 PM

## Region

Central New York

## Questionnaire Questions & Answers

### Standard Question

#### ConnectALL – Municipal Infrastructure Program (MIP)

Q\_15017    Do you acknowledge that the project(s) you are proposing for grant funding will meet the minimum project requirements as stated in the RFA and any subsequently published updates?

Yes

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### Applicant Information

|   | Applicant                                     |
|---|---|
| <b>Name of the Primary Applicant Organization</b>     | City of Syracuse                              |
| <b>Applicant Street Address</b>                       | 233 E.<br>Washington St                       |
| <b>Applicant City</b>                                 | Syracuse                                      |
| <b>Applicant State</b>                                | NY  |
| <b>Applicant ZIP Code (please use ZIP+4 if known)</b> | 13202   |
| <b>Applicant organization website</b>                 | <a href="https://syr.gov">https://syr.gov</a> |

Q\_14435    Is the applicant "Doing Business As" (DBA)?

No

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### Primary Contact Information

|                                   | Primary Contact |
|-----------------------------------|-----------------|
| <b>Primary Contact First Name</b> | Jennifer        |

|                                      |  |
|--------------------------------------|--|
| <b>Primary Contact Last Name</b>     | Tiff   |
| <b>Primary Contact Title</b>         | Director of Strategic Initiatives                |
| <b>Primary Contact Telephone</b>     | 315-448-8123                                     |
| <b>Primary Contact Email Address</b> | <a href="mailto:jtiff@syr.gov">jtiff@syr.gov</a> |

Q\_14736 What is the type of entity for the lead applicant?

Eligible Public Applicant

Q\_14693 Please specify the Public entity type for the lead Applicant:

(This question is associated with your answer selection in question: [Q\\_14736](#))

Municipality, City

Q\_14443 Select an applicant ID type from the list below that you normally use to identify your organization on application forms.

Federal Tax ID Number

Q\_14444 Based on your selection from the previous question, enter the associated ID number.

15-6000416

Q\_14445 If you are a business, have you been certified as a New York State Minority or Women-owned Business Enterprise (MWBE)?

N/A

Q\_14695 What is the expected infrastructure ownership structure?

Public

Q\_14696 Based on your selection from the previous question, please specify the entity or entities and entity type that will ultimately own the proposed infrastructure.

City of Syracuse

Q\_14446 Please indicate if this application is submitted by a partnership or joint venture.

No

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Q\_14766 Please provide brief description of the operating model, specifying whether and how the infrastructure will be used by one or more internet service providers and what will be required of those ISPs.

The City of Syracuse will own all physical network assets, and will provide internet service directly to customers in target neighborhoods where there is both a lower rate of internet adoption today, and where average incomes are below the median for both the city and the region (i.e. where there is a high “affordability gap” for internet service). The City’s municipal broadband solution—called Surge Link—is being piloted today in 3 underinvested city neighborhoods. Surge Link operations, maintenance and managed services are provided via contract with a private internet service provider, CBN Syracuse Municipal LLC (CBN), which was selected by the City of Syracuse via a competitive procurement process in 2023. This MIP proposal would bring Surge Link to five additional Syracuse neighborhoods. The operating model for this expansion will leverage our existing contract with CBN to design, deploy, maintain and operate our municipal broadband solution. The contract with CBN includes all managed services, including marketing, enrollment support (including ACP enrollment if this program is reinstated by the Federal government), home installation of subscriber equipment, and a 24x7 Network Operations Center with ongoing subscription management and technical support for active accounts. Our contract includes a detailed Service Level Agreement with required metrics reporting and service level standards in line with proposed metrics detailed in this application. While the City of Syracuse does not currently have existing contracts with other ISPs to utilize the fiber infrastructure designed for this application, the City will develop an open access business model and has designed fiber capacity and distribution cabinets as a part of this MIP scope to support a minimum of 3 additional ISPs.

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Q\_14697 How many years has the Primary Applicant’s organization been operating in New York?

150

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Q\_14458 Briefly describe the history of the Applicant or team as well as ownership and legal structure.

The Village of Syracuse and the Village of Salina were combined into the City of Syracuse in 1847. Today, the City of Syracuse is the fifth largest city in the State of New York, with a municipal operating budget of \$310 Million and a municipal workforce of more than 2, 600. The City of Syracuse operates with a mayor-council structure, based on the authority established in the city’s Charter. Our partner CBN is a limited liability company registered in the State of New York since 2018. CBN’s mission is to provide affordable internet access to unserved and underserved communities, initially launching business in the Finger Lakes Region in 2018 and later expanding into Oklahoma, Florida, and Georgia. CBN is owned and operated by a dynamic executive management team with over 150+ years of telecom experience including designing, constructing and operating broadband solutions. Since 2018, CBN has effectively connected more than 100, 000 households to the internet in Upstate New York.

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Q\_14459 Briefly describe the Applicant’s experience in broadband deployment in New York.

In July of 2023, the City of Syracuse began working with Community Broadband Networks (CBN) (following a highly competitive procurement process) to design, construct and operate a municipal broadband service for lower-income residents in three neighborhoods as a pilot project. Within 2 months of the City’s contract execution with CBN, the broadband network—called Surge Link—was officially launched and by February 2024 we

were serving about 550 residents with an additional 100+ subscribers ready for home equipment installation. Our goal for the Surge Link pilot is to serve 2, 500 households by the end of 2024. The City's partner, CBN, has extensive experience deploying broadband in New York State outside of our work together on Surge Link. CBN has deployed broadband solutions in other unserved and underserved areas of Upstate New York, bringing internet service to 6 counties, 22 cities, and more than 100, 000 households in New York State. CBN's solutions utilize fiber and fixed wireless technologies to achieve service at speeds from 100 Mbps to 10 Mbps. CBN's team has decades of specialized experience designing, constructing and operating broadband solutions; many CBN team members have extensive prior experience working for very large US and international wireline and wireless telecommunications providers building fiber and wireless solutions in New York State.

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Q\_14698 How does the Applicant or team plan to staff for the project?

Applicant or team have a defined staffing plan to ramp up the resources for the project

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Q\_14764 Does the primary applicant have experience in broadband deployment – planning, project managing, delivering and/or operating broadband infrastructure?

Successful broadband deployment in New York

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Q\_14751 For aerial construction of the proposed broadband deployment, what is the applicant teams' ability to mitigate cost and timeline risks as it relates to pole make-ready and licensing?

Total pole ownership and/or control

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Q\_14467 Describe prior experience coordinating with permitting authorities, utility pole owners, and existing utilities.

The City of Syracuse has extensive experience coordinating with state and other public entities as well as private utilities regarding permitting for public works and engineering projects. We see the make-ready and engineering process as the foundation to a successful project. The Surge Link MIP project has been designed to take advantage of the City's right of way for poles for aerial fiber and other infrastructure in close coordination with the City's Engineer and other local authorities in order to better control for and mitigate risks associated with permitting processes and timelines. Our teaming partner and contractor, CBN Municipal LLC, has extensive experience with make-ready engineering and navigating permitting processes. CBN has a comprehensive internal system for make-ready engineering to ensure maximum efficiency. This includes conducting a detailed site survey to identify any potential obstacles or challenges that may need to be addressed during installation. CBN's team of engineers designs a customized plan for specific broadband deployment requirements, using the latest software and best practices to create detailed engineering drawings that meet industry standards. CBN will coordinate with all necessary authorities to ensure permits and approvals are in place to meet state and local regulations.

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Q\_14700 For underground construction of the proposed broadband deployment, what is the applicant teams' ability to mitigate cost and timeline risks as it relates to pathway to receive expedited permitting for right-of-way (ROW)?

Can easily get permits and ROW

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Q\_14468 Do you have experience managing state or federal grants or loans for broadband

deployment?

Yes

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Q\_14469 Have any of your grants or loans for broadband deployment been suspended, paused, or rescinded at any time due to lack of performance or compliance with program rules or applicable law?

**(This question is associated with your answer selection in question: [Q 14468](#))**

No

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Q\_14470 Briefly outline the Applicant's background in overseeing state or federal grants or loans for broadband deployment. If applicable, explain the circumstances that led to any grants or loans that faced suspension, pause, or rescission due to performance issues or non-compliance with program regulations or relevant laws.

**(This question is associated with your answer selection in question: [Q 14468](#))**

The City of Syracuse has extensive experience effectively overseeing federal and state grants for various types of infrastructure deployments and engineering projects, including \$123 Million in American Rescue Plan Act (ARPA) funds. Specific to broadband, the City is currently managing a \$3.5 Million ARPA project to pilot a municipal broadband solution in 10 qualified census tracts. This broadband project is being executed with our proposed partner for this MIP project, Community Broadband Networks (CBN), and CBN has operated in accordance with required grant regulations and reported all necessary performance information to the City. We have not had performance issues or circumstances where grants were suspected, paused or rescinded due to performance or non-compliance.

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Q\_14473 Describe past record of responding to information requests to share data with the NYS Department of Public Service concerning broadband mapping initiatives, including the length of time taken to furnish the requested information.

The City's partner Community Broadband Networks (CBN) has previously provided NYS Department of Public Service with requested addresses of all locations in New York State served by CBN and available to the mass market. This information was provided for 2022 and 2023 periods. It took less than an hour to pull the required data including mapping to latitude/longitude of each address as request.

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Q\_14701 Describe your current or past participation in the FCC's Affordable Connectivity Program (ACP) or other public subsidy programs.

The City's Surge Link municipal broadband solution received approval to participant in the Affordable Connectivity Program within 3 months of our launch, and we enrolled more than 500 residents prior to February 8, 2024, when the federal government stopped accepting new participants into the ACP. Since February 8, the City of Syracuse is offering a \$20/mo local subsidy in place of ACP.

The City's partner, Community Broadband Networks (CBN), was one of the first carriers to be involved in what was at the time the "EBB" program and now has migrated into the "ACP" program. The ACP program has two distinct components consisting of a \$30 credit for monthly internet service charges and equipment reimbursement for items such as tablets, laptops, and other devices needed for education and day to day activity. Not all companies who are ACP certified carry both of these programs; however, CBN is fully enrolled in both programs.

CBN has employed several strategies for educating customers about ACP, including partnerships with libraries, fire departments, local unemployment and social service offices, and most importantly schools. CBN provides materials in both English and Spanish on the benefits of ACP and the qualifications necessary. CBN developed an online portal and internal customer service processes to assist customers in signing up for the ACP, including verification of customer eligibility, and used social media and other marketing tools to promote the benefits of ACP participation. CBN employs outreach managers for local community engagement who speak at public events in order to share the benefits of this program to those who are not already online. Interested residents received an ACP toolkit that allowed them to quickly assess the value of ACP to them, as well as an assigned local ambassador to answer any consumer questions about the program. All of these activities combined made CBN's ACP program very successful at reaching the intended beneficiaries of this important program.

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Q\_14702 Is the applicant team local to the proposed broadband deployment region in the New York State?

Yes

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### Approach and Scope of Services

Q\_14703 Describe the broadband infrastructure project and the specific geography and locations it would service (the Project Area(s))?

This MIP project will transform the digital landscape in neighborhoods in the northern, western, and southern quadrants of the City of Syracuse. This expands an existing municipal broadband pilot—currently operating in three neighborhoods and ten census tracts—and adds five neighborhoods and thirteen new census tracts (Census Tracts 2, 5.01, 6, 7, 8, 14, 15, 23, 38, 60, 61.01, 61.02, and 61.03). These areas, historically underinvested and overlooked, are not only grappling with entrenched poverty but also with the cascading effects of digital exclusion on health, education, and economic opportunities. The proposed service area in this MIP project covers 14, 325 households, where the average median income (AMI) is \$33, 980. In this target area, the percentage of households without broadband internet is more than 17%. By comparison, the AMI in the County of Onondaga is \$71, 479, and the percentage of households without internet is 12%. Another key indicator of broadband need in our MIP target area is Affordable Connectivity Program participation. About half the households in our target geography have enrolled in the ACP, demonstrating a need for internet affordability. With the ACP now on hold, many of these families may be forced to trade off essential needs like food or clothes or give up high-speed internet. Our Surge Link business model to provide internet service for this target population includes a discount for income qualified residents so that even if the ACP is discontinued, lower income residents can have high speed internet for no more than \$15/mo out of pocket.

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Q\_14704 What are the wealth and income demographics for the proposed Project Area(s)?

Predominantly low-income non-investment area

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Q\_14705 Provide a list of the existing Internet Service Provider(s) in the Project Area(s) along with their advertised range of speed (download and upload) in Mbps and any other services offered.

In the current broadband landscape of the project area, the fixed technology service offerings from existing Internet Service Providers (ISPs) reveal a significant shortfall in meeting the RFA's minimum speed requirement of 100 Mbps for both download and

upload. Spectrum, as the primary provider through its primarily coaxial network, offers speeds up to 1 Gbps for downloads and 35 Mbps for uploads. While its download speed adequately meets the RFA's minimum requirement, the upload speed falls short, underscoring a critical gap in service capabilities that hampers efficient two-way digital communication and activities. Additionally, Spectrum's Internet Assist program which caters to low-income, qualified households only provides 30/4Mbps for \$14.99 and does not include a router and is still subject to activation and installation fees. Market rate options range from 300Mbps to 1Gbps for \$49.99/mo to \$69.99/mo, respectively. The Internet Assist program, which aims to provide affordable service, does not provide adequate bandwidth to participate in modern digital activities.

Verizon's presence in the area paints a mixed picture. Its fiber optic network, which indeed meets and surpasses the RFA's benchmarks with speeds of 940/880 Mbps for downloads and uploads respectively, is unfortunately offered only sparsely throughout the project area. This severely limits the availability of adequate speeds to a fraction of the community. The majority of Verizon-served customers are relegated to DSL services, which provide significantly inferior speeds of 15/1 Mbps, drastically below the RFA's requirements and insufficient for modern internet usage demands. Verizon's fiberoptic offerings range from 300Mbps to 1Gbps for \$49.99/mo to \$89.99/mo, respectively.

Based on our analysis, we estimate Spectrum has project area-wide coaxial coverage, while Verizon has less than 15% fiber optic coverage. Due to Verizon being the only provider of these two present that can provide symmetrical service, the estimated 15% that they serve via fiber optics are the parcels that can meet the 100/100Mbps requirement, ultimately deeming 85% of our target area truly underserved.

This highlights a glaring deficiency in the current broadband ecosystem within the project area. Despite the FCC and NYS PSC maps designating the Project Area as "Served," this classification overlooks the true market conditions and fails to account for the MIP's service speed goals. The maps inaccurately reflect competition by double counting Spectrum's coaxial and limited fiber networks as separate entities, presenting a misleading picture of market diversity. Furthermore, multiple instances of Verizon's fiber network being listed as available in the Project Area were not accurate when cross-checking with the coverage map on their website. This misrepresentation does not align with the reality of a market lacking genuine high-speed access, especially in terms of upload speeds. The proposed broadband infrastructure project seeks to address these challenges by introducing a competitive, high-speed internet infrastructure that not only meets but exceeds the RFA's requirements, aiming to correct the broadband ecosystem's current deficiencies and ensure all residents have access to equitable, fast internet service, thereby better reflecting the true broadband needs of the community.

#### Spectrum

Network Type: Primarily Coaxial

Advertised Speeds:

Maximum Download Speed: Up to 1 Gbps

Maximum Upload Speed: Up to 35 Mbps

Other Services Offered: Spectrum typically offers bundled services that may include cable TV, home phone service, and mobile options in addition to internet services.

#### Verizon (Fiber Optic Network)

Network Type: Fiber Optic (Limited Availability)

Advertised Speeds:

Download Speed: Up to 940 Mbps

Upload Speed: Up to 880 Mbps

Other Services Offered: Verizon's fiber optic service, often branded as Fios, usually includes options for high-definition TV and landline phone services.

Verizon (DSL)

Network Type: Digital Subscriber Line (DSL)

Advertised Speeds:

Download Speed: Up to 15 Mbps

Upload Speed: Up to 1 Mbps

Other Services Offered: Alongside DSL internet, Verizon offers traditional phone services. DSL service is more widely available but offers significantly lower speeds compared to fiber.

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Q\_14706 Describe any patterns of non-investment or past challenges preventing Internet Service Provider(s) to provide services in the Project Area(s).

In the Project Area, a discernible pattern of non-investment by major Internet Service Providers (ISPs) has significantly hindered the availability and quality of broadband services. This trend is largely attributable to a couple of key factors that have dissuaded ISPs from extending their infrastructure and services into these regions. The proposed service area in this MIP project covers 14,325 households, where the average median income (AMI) is \$33,980. In this target area, the percentage of households without broadband internet is more than 17%. By comparison, the AMI in the County of Onondaga is \$71,479, and the percentage of households without internet is 12%.

The existing infrastructure, primarily provided by Spectrum through a coaxial network, and to a lesser extent by Verizon, through limited fiber optic deployment and predominantly DSL services, reflects a cautious or conservative investment approach. The reluctance to upgrade or expand infrastructure into these areas can be traced back to perceived economic disincentives. Existing ISPs have been hesitant to invest in fiber infrastructure, partly due to the socio-economic status of these areas, which they assume could not support the return on investment needed for such significant capital expenditures.

Additionally, the monopolistic tendencies observed in these markets have contributed to a lack of competition, further stifling any incentive for ISPs to improve or expand their service offerings. With Spectrum dominating the broadband landscape through its coaxial network, and with minimal presence of fiber optic alternatives, there has been little pressure to invest in better technologies or to lower prices, leaving residents with limited options.

In summary, the patterns of non-investment in the Project Area stems from a combination of economic and competitive challenges. These have collectively prevented ISPs from providing high-quality, high-speed broadband services, thereby underscoring the critical need for targeted investment and intervention to ensure that all residents have access to reliable and affordable internet services.

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**For the proposed Project Area(s), please provide the numbers of broadband serviceable locations (unserved, underserved, & served locations).**

**Note: Total is auto-populated after saving & moving to next page.**



***Broadband Serviceable Locations***

|                              | <b>Number of Locations</b> |
|------------------------------|----------------------------|
| <b>Unserved Locations</b>    | 0                          |
| <b>Underserved Locations</b> | 12176                      |
| <b>Served Locations</b>      | 2149                       |
| <b>Total</b>                 | 14,325                     |

**For the proposed Project Area(s), please provide the numbers of broadband serviceable locations (residential, business, & community anchor institutions).**

**Note: Total is auto-populated after saving & moving to next page.**

***Broadband Serviceable Locations Type***

|                                      | <b>Number of Locations</b> |
|--------------------------------------|----------------------------|
| <b>Residential Locations</b>         | 14325                      |
| <b>Business Locations</b>            | 735                        |
| <b>Community Anchor Institutions</b> | 28                         |
| <b>Total</b>                         | 15,088                     |

**For the proposed Project Area(s), please provide the total miles of new fiber construction being proposed (aerial fiber construction, underground fiber construction, & drop fiber (aerial and underground) for the last-mile).**

**Note: Total is auto-populated after saving & moving to next page.**

***Miles of New Fiber Construction Proposed***

|  | <b>Total Miles</b> |
|--|--------------------|
| <b>Aerial Fiber Construction</b>                               | 15                 |
| <b>Underground Fiber Construction</b>                          | 5                  |
| <b>Drop Fiber (Aerial &amp; Underground) For the Last-Mile</b> | 0                  |
| <b>Total</b>   | 20                 |

For the proposed Project Area(s), please provide the financial details (MIP grant requested, available or earmarked public funds, & available private funds). The "Total" should represent the Total Project Cost.

Note: Total is auto-populated after saving & moving to next page.

*Financial Details*

|  | <b>Total Dollars</b> |
|--|----------------------|
| <b>MIP Grant Requested</b>                 | \$9,225,657          |
| <b>Available or Earmarked Public Funds</b> | \$1,400,000          |
| <b>Available Private Funds</b>             | \$0                  |
| <b>Total</b>                               | 10,625,657           |

Q\_14707 Briefly provide the information about the available or earmarked public funds and/or the available private funds.

This project represents a significant opportunity for growth beyond an earlier investment of \$3.5 million by the City of Syracuse for a broadband pilot last year. The City has an additional \$1.4 million available for the MIP project. Furthermore, our ISP partner CBN has contributed professional services in-kind for initial network design and engineering for this application, demonstrating the value of private sector collaboration in this endeavor.

Q\_14708 Describe Applicant or teams' access to capital to address any potential debt or operating revenue shortfalls.

The City of Syracuse has an annual operating budget of more than \$310 million, and a 5-year Capital Improvement program of more than \$1.35 Billion. The City administration works collaboratively with our Common Council to obtain funding approval, including bonding authorization as needed, for to continuously fund infrastructure improvements and investment. The City has a successful track record of financing grant-reimbursable infrastructure projects, and has successfully completed many projects in collaboration with the State of New York and Empire State Development.

Our partner CBN has sophisticated financial planning and management capabilities which enable accurate and comprehensive modeling and testing for effective project delivery as well as ongoing operations for new broadband solutions. The following information is intended to display CBN's financial stability:

Quick Ratio = 3.6 (Industry Average = 1.61)

Interest Coverage Ratio= 20.42 (Industry Average = 3.41)

Debt-to-Equity Ratio= .12 (Industry Average = .80-1)

CBN prides itself on abiding by strict financial discipline and strategic planning. The above

ratios speak for themselves as CBN has been strategically positioning the firm to be in the best possible financial condition for growth. Considering CBN's strategy has always been focused on growth, we have been actively working with financial institutions to ensure we have immediate access to substantial capital in addition to our own founder's internal commitments. Below are a few examples of the readily available capital CBN has established:

Approved Line of Credit: \$2, 000, 000

Pre-Approved Equipment/Hardware Financing: \$1, 250, 000

Approved Capital Loan: \$650, 000

Founders/Investors Committed Capital: \$1, 500, 000

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Q\_14709 Describe the methodology and any assumptions made to determine the cost estimates.

Project estimation takes into account the following factors and assumptions:

Network Design Finalization: Detailed site survey and route inspection, design customized

plans to account for all observable obstacles, MDU interface design, make-ready engineering,

permit regulation. RF P.O.P. design/engineering, RF micro-pop design/engineering, MDU delivery design/engineering. Network routing and redundancy design/engineering.

Fiber Optic Cable Aerial: 15 Miles

Fiber Optic Cable Underground: 5 Miles

Installation/Construction Hardware: All installation and construction hardware for both fiber and FWA deployment.

New Pole(s): Pole replacements and new pole installation

Central Office / POP Electronics: 10 X P.O.P.'s including all items detailed in technical design

narrative (BN transmitters, head end routers/switches, redundancy links, power distribution, fiber backhaul)

Customer Premises Equipment: RN receiver, PoE injector, in-home WiFi router for 4, 272 subscribers

Drops and Inside Wiring: All cabling for POPs and subscribers

Permit and Pole Attachment Fees: Appx. 693 poles

Building Lease / Easement Costs: 10 X POPs

Other Make-Ready Fees: General make-ready construction based on 15 miles of aerial fiber

Central Office / P.O.P Setup: 10 X POP construction

Aerial Construction: 15 miles of fiber in urban City of Syracuse

Underground Construction: 5 miles of fiber in urban City of Syracuse

Fiber Splicing and Cross Connects: Appx. 35-50 splice points/cross-connects

In-Home Installation: Complete home network installation and basic user training

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Q\_14710 What is the projected take-rate % in the first five years of broadband service?

33

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Q\_14711 What is the take-rate % to break-even the Operations and Maintenance (O&M) expenses?

1

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Q\_14712 Describe efforts that will be made by the Applicant or team to keep costs reasonable and competitive.

Our team is committed to providing affordable internet service, prioritizing cost-effectiveness throughout every phase of the network development. Employing a hybrid fiber-fixed wireless solution, our ISP partner CBN leverages a strategic advantage to position Points of Presence (POPs) optimally across the service area. This strategic placement ensures comprehensive coverage while minimizing infrastructure and operational costs.

CBN's approach is underpinned by meticulous planning and engineering. Our dedicated RF planning and engineering team has invested significant effort in designing an efficient network infrastructure that achieves our goal of offering minimum 100Mbps/100Mbps speeds at the lowest possible capital investment. Through the application of Tarana's next-generation fixed wireless technology, CBN is equipped to offer extensive non-line-of-sight (NLoS) coverage. This technological edge enables CBN to drastically reduce the number of towers required, as distinguished from other fixed wireless providers who face the challenge of establishing line-of-sight (LoS) to each targeted household.

By minimizing the necessity for physical infrastructure, CBN lowers initial setup costs but also reduces ongoing maintenance expenses. This efficiency translates into cost savings for the project and, ultimately, for the end-users. Our operational model reflects a deep commitment to leveraging innovative technologies and strategic planning to deliver high-quality, affordable internet services.

Furthermore, our team's approach includes continuous evaluation of operational efficiencies, procurement strategies that ensure competitive pricing, and the adoption of scalable technologies that can adapt to growing demand without proportionate increases in cost. These efforts are all aimed at maintaining reasonable and competitive costs, thereby upholding our mission to make high-speed internet access universally accessible and affordable.

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Q\_14753 Please describe the revenue sharing model between the Applicant and partner(s), including but not limited to the Internet Service Provider (ISP).

The City of Syracuse as the applicant will retain ownership and control of the broadband infrastructure, while contracting with our ISP partner for operations, maintenance and managed service. Service delivery costs will be covered by subscription fees for internet services, and any net operating income generated above service cost will be retained by the City for reinvestment into the network.

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Q\_14713 For any proposed public-private partnership, what is the minimum duration in years of shared public ownership?

0

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Q\_14714 For any proposed acquisitions as a part of the project (e.g. fiber leases), describe the age and remaining useful life of the infrastructure.

The project's strategy is centered around the construction of new fiber infrastructure and systems, optimally designed for the project's needs. By focusing on new construction, we guarantee that the infrastructure will have the maximum possible useful life, designed from the outset to be durable, efficient, and fully aligned with contemporary environmental and sustainability standards.

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Q\_14715 Within how many months of the project kick-off are the first connections expected?

2

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Q\_14716 Within how many months of the project kick-off will the project complete?

24

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Q\_14717 Describe the work that has been done to date in developing the project and explain why this grant is necessary to advance the Applicant's project to implementation.

Considerable groundwork has already been laid in the development of our broadband infrastructure project, marking a significant commitment towards bridging the digital divide within our community. To date, we have successfully constructed a foundational network that serves as a testament to our dedication and capability in addressing the pressing need for accessible and reliable internet service. This initial phase involved substantial startup costs, including network design, infrastructure procurement, and the deployment of essential broadband technologies. These efforts were undertaken with the objective of establishing a robust platform upon which we can build and expand our services.

Despite the strides made with our existing network, reaching the ultimate goal of digital equity for all residents requires significant further expansion, particularly into greater geographic areas that have historically been underserved or neglected by traditional service providers. This expansion is not just a matter of extending physical infrastructure but also involves enhancing network capacity, implementing advanced technologies, and ensuring the sustainability of the service through continuous maintenance and support.

The grant in question is pivotal for the advancement of our project from its current state to full-scale implementation. While the initial investments have laid a solid foundation, the grant funds are critical for enabling the next phase of our expansion. Specifically, the grant will support the extension of our network into those additional geographic areas, thereby bringing us closer to achieving our mission of universal digital equity. It will also facilitate the integration of cutting-edge technologies that promise greater efficiency and

reliability, ensuring that our infrastructure not only meets the current demands but is also future-proofed against the rapidly evolving digital landscape.

Moreover, the MIP will enable us to overcome financial barriers that might otherwise delay or derail our efforts to reach underserved communities. In essence, the MIP is not merely a financial boost but a catalyst for transformative change, empowering us to scale our impact and ensure that every resident has access to the high-speed internet necessary for participation in today's digital world.

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Q\_14718 How does the Applicant plan to share the newly built network infrastructure?

Exclusively reserved for public entity use

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Q\_14719 Describe the identified risks for the proposed project and plans to mitigate those (if identified).

Our deployment partner Community Broadband Networks (CBN) brings extensive knowledge of broadband risk mitigation, based on the team's collective 150+ years of experience deploying telecom infrastructure solutions. CBN's project manager developed and led some of AT& T's largest projects for nearly 2 decades including deploying the world's largest private network (FTS2000), and our project coordinator has completed \$35-45M in municipal infrastructure projects annually. CBN is well positioned to foresee all risks and develop tailored strategies to avoid them. The most effective risk mitigation strategy that CBN employs is the premortem technique. Upon identifying a risk, CBN actively evaluates the available solutions and proposes them to our field leaders. Upon a successful field evaluation to assess engineering risks, CBN financial team ensures that the solution is financially viable. CBN does not see any unresolved challenges or risks to this project as we have incorporated our solutions into our project plan and budget.

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## Network Design

Q\_14720 Is the network design of the proposed Project Area(s) complete or close to complete? Please ensure to upload the network design in whatever stage it is at in the Documents tab.

Close to complete network design

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Q\_14755 Is the proposed network design completely fiber?

No

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Q\_14758 What percentage of the network is another medium (non-fiber)?

**(This question is associated with your answer selection in question: [Q\\_14755](#))**

15

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Q\_14759 Please specify what non-fiber medium is proposed and provide justification and explain what engineering decisions or other factors led to the decision to have any non-fiber portion in the network design.

**(This question is associated with your answer selection in question: [Q\\_14755](#))**

Our partner CBN will be using the latest next generation fixed wireless access technology (ngFWA) to provide speeds and reliability equal to that of fiber without the associated delays or costs of laying fiber to every home. This is the locally preferred option for the City of Syracuse, the 5th largest city in the State with a population of just under 150, 000, where 20% of city households do not have broadband internet access and the driving cause of this is an internet affordability gap exacerbated by concentrated poverty in many of the city's neighborhoods. The ability to roll out a solution to a large number of households quickly and cost mitigation are major considerations in choosing broadband investments that will address the root causes of our digital divide.

The primary ngFWA hardware for CBN's network is supplied from Tarana. Tarana has created the industry's first instance of ngFWA, the Gigabit 1 (G1) platform. G1 is the product of over \$300M invested over a decade of ground-up R& D focused exclusively on FWA. By marrying the continued march of silicon integration with new, innovative signal processing techniques, G1 creates a completely new future for broadband.

G1 offers all the fast-deployment advantages of FWA along with the performance, capacity, and interference-rejection required to deliver reliable fixed broadband connections for homes and businesses at large scale, in challenging non-line-of-sight conditions and a fully formed wireless alternative to last-mile fiber for the long term.

Extensively validated by tier-1 operators and well proven in carrier scale networks, the fundamental advances in multi-radio performance completely transform the economics of delivering gigabit-class access. The G1 platform features the base node (BN), remote node (RN), and Tarana Cloud Suite (TCS) for management. Some of the key features of the Tarana platform:

- Up to 800 Mbps aggregate per customer/link
- Up to 250 Clients per Sector
- Up to 1000 clients per Site (4 BNs)
- 3 GHz (CBRS) licensed band
- Works in NLoS (Non-Line-of-Sight) and nLOS (near Line-of-Sight)
- Cancels Interference
- Fiber-Class Reliability
- Fast to Deploy
- More Affordable than Fiber

Wireless technologies R& D has been exceptionally robust over the last 10 years due to the use of smart phones and other mobile services. We have seen the cost of equipment decrease and its capacity increase dramatically over the last (3) three years. We expect this to continue as more money is used to develop this form of data transport technology.

In the past there were challenges with line-of-sight issues based on physical obstructions, but we have been successful in deploying Tarana equipment in our Surge Link network and have verified that it works through trees, around buildings, and other dense areas not previously available.

When compared to Fiber-to-the-Home and other wireline options, FWA has advantages such as quicker service rollout, reduced rollout costs, no street disruptions and lower operating expenses.

Q\_14721 Are there any interconnection plans with the existing publicly controlled middle mile and/or last mile infrastructure assets?

Contiguous with public infrastructure

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Q\_14722 Describe whether any existing infrastructure would or has been integrated into the design.

In the design and implementation of this project, the emphasis is placed on the new build-out and the strategic expansion of our coverage area to ensure the provision of high-speed internet access to previously underserved communities. This approach is underscored by our commitment to deploying primarily new infrastructure to meet the evolving needs of our community and to align with the latest technological standards. However, in our pursuit of efficiency and optimization, we recognize the value of leveraging certain components of our existing infrastructure that have already proven their utility and effectiveness.

A key example of this strategy is the integration of the Network Operations Center (NOC) from our initial network phase into the current project's design. The NOC represents a significant investment in our operational capabilities, serving as the hub for network monitoring, management, and support. By utilizing the NOC in the expanded project, we not only capitalize on our existing investment but also ensure that the deployment and ongoing management of the new infrastructure are conducted with the highest levels of efficiency and reliability. This approach allows us to maintain a consistent quality of service across our expanded network, leveraging the NOC's advanced capabilities to anticipate and resolve issues, manage network traffic, and ensure the security and stability of our services. This ensures that we maximize the impact of our investments, blending innovation with proven operational excellence to deliver a robust and reliable broadband service to our community.

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Q\_14723 Describe performance metrics of your proposed network, including the speeds, latency, average outage, network uptime, and existence of data caps or throttling.

The proposed broadband solution for the Surge Link MIP project will achieve minimum speeds of 100/100 Mbps, a latency  
In addition to these performance standards, we anticipate proactively monitoring and collecting a host of important KPIs to ensure the appropriate levels of service for our customers. CBN uses several tools for proactive monitoring. Each tool is based on available software that is customized to CBN's operations. Each tool will collect the data for reporting and distribute it to interested parties via e-mail or is available for on-line query.

Examples of key performance indicators that will be tracked as a part of our SLA include:

Number of target households identified & conversion rate (i.e. how many eligible households actually sign up for service)

Number of active vs. closed accounts

Address & demographic information of enrolled households

Number and type of customer inquiries

Average time to resolve a customer issue

Actual network upload and download speeds provided to customers

Network latency

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Scheduled vs. unscheduled network down times

Overall Service Availability

Service Availability over time

Peak Utilization by Backhaul Link (upload/download)

Overall Traffic (upload/download) 24 hour, 7 days, 30 day, and yearly

Customer Tickets % Resolved within SLA Targets

Number of Customer Requests for Service in "Queue"

Average time from Request to Installation

Customer Retention% and Details: Losses by Type (Moving, Price, Quality)

Customer Complaints

Other metrics as agreed upon by the City, such as measures related to accessibility, retainability, integrity, capacity, traffic, and quality.

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## Service Quality

Q\_14760 In addition to completing the Service Tiers and Pricing template under the Documents tab of this application, please also describe the service speeds and means of delivery of any free service tiers or free introductory periods available to end-users. Specify if such options will be generally available without ACP utilization or will require additional qualification.

For this Surge Link expansion project, we anticipate initially providing a single 100 / 100 Mbps service plan for simplicity and ease of pricing for the market. We will not have promotional or introductory tiers as we believe it is important to sustain low-cost, high-speed service for underserved customers; we believe digital equity includes not having to follow-up with your ISP after a promotional period when your rates suddenly go up. Built into our sustainable business model is a discount for income-qualified families so that they will not have to pay more than \$15/mo for 100/100 Mbps service. We view this as a critical aspect of an equitable and sustainable business model for municipal broadband, given the current uncertainty of the Federal ACP program.

We are primarily targeting residential customers as the priority for Surge Link service, although our MIP application notes the number of businesses and other anchors in our service area. In addition to home internet subscribers, all City of Syracuse municipal assets such as parks and other facilities will be connected to the Surge Link network to support municipal connectivity uses. The City and CBN will work to identify offerings on the Surge Link network to connect other types of internet users, or create an open access model that enables other ISPs to also serve residential and non-residential users.

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Q\_14724 Describe plans to market the service to customers and plans to work with customers to enroll.

Marketing plans include online, social media, and print marketing. Outreach coordinators also attend community meetings and table extensively at public events, including doing live sign ups and enrollment for community members at events. Enrollment can be performed online via a web portal, via the phone, and in person, with hands-on support from CBN staff who assist with enrollment and process applications end to end.

Q\_14480 Specify the type and daily operating hours for all types of customer service provided for broadband subscribers including phone, email, SMS, and/or in person customer assistance (if provided). How is customer support provided outside of regular working hours and on weekends?

Customers can contact our customer service several ways for any of the above categories:

- 1) Call our main number (315-325-5000)-24x7
- 2) Text our main number-24x7
- 3) Access their online portal account and submit a help request-24x7) Send an e-mail: support@cbn-flx.com
- 5) Chat via Facebook or GoogleChat

In all categories of customer service, we will create a trouble ticket to track the customer issue and resolution. If the customer calls our main number, our objective is that they will be connected to a live person within 30 seconds. All our agents are located in the US and employees of CBN. All customer service is performed manually. The only automated processes are related to our ticketing and SLA tracking systems.

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Q\_14481 What aspects of the customer service experience are automated and which are provided through live customer support?

Customer service involves the following general categories:

- Billing questions
- Questions about service packages/options/upgrades
- Tier 1 technical support

Customers can contact our customer service several ways for any of the above categories:

- 1) Call our main number (315-325-5000)-24x7
- 2) Text our main number-24x7
- 3) Access their online portal account and submit a help request-24x7) Send an e-mail: support@cbn-flx.com
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In all categories of customer service, we will create a trouble ticket to track the customer issue and resolution. If the customer calls our main number, our objective is that they will be connected to a live person within 30 seconds. All our agents are located in the US and employees of CBN. All customer service is performed manually. The only automated processes are related to our ticketing and SLA tracking systems.

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Q\_14482 What is the scope of any subcontractors providing customer support?

CBN Syracuse Municipal LLC is supported by the backbone of all CBN enterprises- CBN America. CBN America was created to provide the customer service and technical support

to all CBN deployments. Centrally located in NY, CBN America is locally staffed and managed by the most decorated and talented telecom leaders. CBN has a first-class Network Operations Center and call center specifically tailored to support the proprietary CBN network design, and does not use subcontractors to provide customer support.

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Q\_14725 Describe how Applicant will ensure long-term, high-quality connectivity and support for residents, including a proposed Service-Level Agreement.

In addition to network monitoring, CBN monitors each customer's connection down to individual devices connected to our Wi-Fi router in the customer's home. Our system will ping the customer's router every minute and run a speed test every 5 minutes from the network to the customer's router. Since an "outage" or loss of service may be related to a customer issue such as loss of electricity, home remodeling, or simply the customer turning off the equipment to save electricity, we do not immediately dispatch a technician to a customer outage. Instead, we assess the customer's individual connection first, then proactively contact the customer. CBN uses several tools for proactive monitoring. Each tool is based on available software that is customized to CBN's operations. Each tool will collect the data for reporting and distribute it to interested parties via e-mail or is available for on-line query.

Examples of key performance indicators that will be tracked include:

- Number of active vs. closed accounts
- Address & demographic information of enrolled households
- Number and type of customer inquiries
- Average time to resolve a customer issue
- Actual network upload and download speeds provided to customers
- Scheduled vs. unscheduled network down times
- Overall Service Availability
- Peak Utilization by Backhaul Link (upload/download)
- Overall Traffic (upload/download) 24 hour, 7 days, 30 day, and yearly
- Customer Tickets % Resolved within SLA Targets
- Customer Retention% and Details: Losses by Type (Moving, Price, Quality)
- Customer Complaints

All of these KPIs will be monitored against expected performance. If there are deviations outside expected performance, a ticket will be created for the technical team to review and resolve the issue by the Tier 2 Technician Support. If the Tier 2 Technician Support group is not able to resolve the issue, the ticket will be escalated to Tier 3 VP of Engineering, and then the Tier 4 Resolution Team.

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Q\_14484 How will the Applicant adhere to net neutrality principles, including commitments to no blocking, no throttling, no unreasonable discrimination in the transmittal of lawful internet traffic, and no paid prioritization?

The City of Syracuse and CBN are fully committed to upholding net neutrality principles, ensuring an open and fair internet for all users. This commitment includes a steadfast adherence to no blocking of lawful content, no throttling of internet traffic based on content, no unreasonable discrimination against any lawful internet traffic, and no paid prioritization that would favor some traffic over others. By embedding these principles into our operational policies and service agreements, we guarantee that all internet traffic on our network is treated equally, promoting innovation, protecting user rights, and fostering a competitive digital ecosystem. This approach reflects our dedication to providing transparent, equitable access to the internet, aligning with our broader mission to support digital inclusion and equity.

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Q\_14485 What measures and strategies will the Applicant take to safeguard the privacy and cybersecurity of residents and other end-users?

CBN sees itself as performing the fundamental function in the world of cybersecurity. Far from being a mere facilitator of internet access, we actively shield subscribers from a multitude of online threats. We employ advanced cyber security technology, monitor network activity, and respond to incidents, all while navigating a maze of legal and ethical issues. Our triple firewall network protection provides our subscribers with an unsurpassed level of safety when utilizing the internet. As the world continues to depend more on digital technologies, our responsibilities continue to grow. Adapting to new challenges, implementing innovative solutions, and maintaining a delicate balance between security and privacy is a critical step we are taking every day.

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## Digital Equity Impact, Workforce Development and Diversity Practices

Q\_14726 Describe Applicant or teams' outreach targets, including any plans to engage the community with any non-English-speaking residents.

Outreach is conducted in English and Spanish by trained staff who are engaged in the communities we seek to serve. We work with a network of Community Based Organizations to help market services to residents within their neighborhoods. The City also utilizes language services to translate materials and help with verbal communications for a variety of other spoken languages in the city such as Arabic, Mandarin, Swahili and others.

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Q\_14727 Describe Applicant or teams' prior experiences adopting community support programs and the outcomes of such programs.

Syracuse has launched a separate but coordinated Digital Empowerment Program to assist with building community trust and engagement with digital access programs, including Surge Link. The DEP has full time Digital Navigators who help increase broadband adoption and utilization among underrepresented communities. Our Surge Link programs works hand in hand with the Digital Empowerment Program to provide a comprehensive approach to address digital connectivity challenges. In the past year, the DEP has worked with 669 unduplicated residents from hard to serve neighborhoods, and expects to serve more than 1, 000+ by end of 2024. DEP has built more than two dozen community partnerships and collaborations, connected participants with affordable home-broadband via Surge Link, the Affordable Connectivity Program (ACP), and free community wifi. It has also provided participants ongoing (30-120 days) individualized Digital Literacy instruction in native languages, provided 200 digital devices (Chromebooks) to participants in need, and connected all participants with essential services and referrals addressing

social determinants of health and barriers to growth.

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Q\_14728 Describe any plans to provide devices, skills and safety trainings, or provide other support to the community.

Syracuse has launched a Digital Empowerment Program to provide digital skills trainings, support accessing affordable devices, and hands on technical support via Digital Navigators who are based in underserved neighborhoods throughout the city. Our Surge Link programs works hand in hand with the Digital Empowerment Program to provide a comprehensive approach to address digital connectivity challenges.

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Q\_14729 Describe any accessibility plans to the community residents with disabilities.

The City of Syracuse and CBN's strategy to ensure accessibility and engagement with

community residents, especially those with disabilities and socio-economic restrictions, leverages a multifaceted outreach approach rooted in organic grass-roots marketing and dynamic collaborations with community organizations. Understanding the unique challenges faced by our constituents, CBN employs strategic marketing methods designed to penetrate unserved markets effectively. This includes a blend of low-tech and high-touch methods such as mass targeted mailings, flyers, lawn signs, and a visible presence at community retail centers and events. Collaborating closely with community organizations, CBN aims to facilitate easy registration through multiple channels: call-ins to a customer service line answered promptly, walk-ins at established local centers, and an online form for those with alternate internet access. This approach ensures that the diverse needs and preferences of all potential customers, including those with accessibility needs, are accommodated.

Supplementing CBN's outreach, our Digital Empowerment Program administered through the Syracuse Northeast Community Center (SNCC) employs Digital Navigators who play a crucial role in directly addressing the accessibility needs of residents with disabilities. These Digital Navigators work on the ground to deliver personalized support, traveling to participants' homes and community gathering spots to provide accessible connection services and digital literacy training. By working in tandem with participants and their caregivers, Digital Navigators enhance the inclusivity and effectiveness of our project, ensuring that digital empowerment extends to all community members, fostering a more inclusive, diverse, and digitally connected community. Together, CBN's targeted outreach and the specialized support from SNCC's Digital Navigators ensure our project comprehensively addresses the barriers to residents with disabilities, making technology accessible and beneficial for everyone.

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Q\_14730 Describe the projected economic development and job creation impacts from the proposed project.

CBN's core value is being involved in the communities we serve which is why we make it our top priority to hire local field technicians instead of 3rd party national subcontractors. CBN deploys a mobile crew which consists of a project manager, multiple foreman, and lead installers. This crew will remain within the project area typically for 3-4 months to fully establish and train our new local team on all technical skills as well as safety procedures. CBN makes it a top priority that all staff, regardless of position, are cross trained in the use and safety procedures of all of our equipment to ensure that everyone on active job sites are knowledgeable on how to use and maintain our equipment. Furthermore, to ensure that all employees work at their top performance, CBN positions our staff in settings where they are most comfortable and set out specific opportunities to grow within their preferred skillset. As such, crews are typically two person teams that comprise of an aerial and ground crew member. Upon satisfactory complete of our proprietary job site, technical, and safety evaluations, our mobile crew will pass the baton to the local leaders who will continue operations. This strategy has repeatedly been successful and ensure that all crews, regardless of location, are trained to our standardized operating procedures and expectations. Lastly, CBN goes above and beyond the typical ISP when it comes to personalized customer service, often assisting customers set-up their personal network, connecting their devices for them, and providing training on how they can use our services. As such, all field staff are not only trained for technical expertise, but for an understanding of unmatched customer care and service. Similar to our client marketing strategies, we engage just as much with the local workforce community as well. It is the mission to ensure that we are providing opportunities to those that we serve to not only bring affordable internet to areas that need it most, but also assist those that are in need of a long lasting, highly fulfilling career. Fixed wireless is the gateway into the growing technology industry as the multi-level skill positions allows for personal growth throughout an employee's career. All a candidate must do is pass standard safety assessments and provide a strong desire to learn to be provided an opportunity at CBN. CBN will commit resources to provide a low-skilled applicant the proper training they need to succeed at a new career.

Q\_14731 Describe Applicant or teams' current practices aligning with NYS "good job" definitions and safety standards by committing to appropriate policies and investments to recruit, train, hire, retrain, and upskill a diverse workforce, particularly local workers and/or workers from historically disadvantaged communities, into good jobs that pay the prevailing wage.

The City of Syracuse, in its pursuit of providing high-quality internet services, has partnered with Community Broadband Networks, a company whose core values resonate with our commitment to community engagement and empowerment. This partnership is a testament to our shared goal of fostering a workforce that mirrors the diversity and vitality of the communities we aim to serve. A key aspect of this collaboration is our shared dedication to employing local talent directly, particularly from historically disadvantaged communities, as opposed to defaulting to third-party national subcontractors. This approach is integral to stimulating local economic growth and promoting social equity.

Following the initiation of any project, Community Broadband Networks promptly deploys a skilled team, including a project manager, foremen, and lead installers, to the project area. This team's primary role is to establish a local presence and undertake the vital task of training new local personnel. The training provided is comprehensive, covering both essential technical skills and strict safety procedures, ensuring adherence to New York State's "good job" definitions and safety standards. A foundational component of this training regimen is the cross-training of all personnel in the use and safety protocols of all equipment, guaranteeing a consistently high level of knowledge and skill across all operational sites.

The City of Syracuse and Community Broadband Networks are committed to creating an inclusive work environment where employees are placed in roles that align with their skills and preferences, thereby enhancing job satisfaction and performance. This operational philosophy includes offering clear pathways for growth within each individual's chosen skill area, supporting our staff's professional development and career advancement.

Operational teams, usually consisting of an aerial and ground crew member, are meticulously trained to uphold and surpass our standardized operating procedures and expectations. This ensures uniform excellence in service delivery across different locales. Beyond technical skills, field personnel are extensively trained in customer service principles, reflecting our commitment to providing personalized, compassionate customer interactions. This encompasses helping customers with network setup, device connection, and training on effective service utilization.

In essence, our collaboration with Community Broadband Networks is strategically designed to align with New York State's "good job" definitions and safety standards, emphasizing safety, diversity, and community engagement. Through this partnership, we are dedicated to creating meaningful employment opportunities that pay prevailing wages and offer advancement prospects, particularly for individuals from historically underrepresented groups. This strategy not only elevates the caliber of our services but also underscores our commitment to the communities we serve, ensuring a lasting and positive impact.

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Q\_14496 Describe current and planned future workforce training, certification, and licensure (e.g., in-house training, safety training, industry-recognized certifications, and offer of vocational training, apprenticeships, pre-apprenticeships, or other "earn and learn" opportunities) that are part of the Applicant's workforce development strategies.

CBN proudly provides equal employment opportunities to all employees and applicants for employment and prohibits discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state or local laws.

In addition, it is well known that there are often challenges that many potential applicants face due to complex technical requirements. Fixed wireless is the gateway into the growing technology industry as our multi-level skill positions allows for personal growth throughout an employee's career. All a candidate must do is pass our standard safety assessments and provide a strong desire to learn to be provided an opportunity at CBN. We will commit our resources to provide a low-skilled applicant the proper training they need to succeed at a new career.

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Q\_14732 Explain current and planned future efforts to diversify the talent pipeline by engaging underrepresented and/or underserved individuals, including any statewide, regional, or local partnerships in place to support recruitment and hiring.

To diversify our talent pipeline and inclusively engage underrepresented and underserved individuals, our approach mirrors the community-focused strategies of our client marketing efforts. We are committed to not only delivering affordable internet to underserved areas but also to opening pathways to sustainable, rewarding careers for community members. By partnering with the City of Syracuse, CBN's outreach is amplified to tap into a broad spectrum of potential candidates.

Our mission emphasizes providing meaningful employment opportunities to those within the communities we serve, ensuring our workforce reflects the diversity of these areas. By partnering with various organizations, we aim to facilitate a more inclusive recruitment process, thereby enriching our talent pool with individuals from varied backgrounds and experiences. These partnerships are crucial in our strategy to not only meet immediate staffing needs but also to support our long-term commitment to workforce diversity and community engagement.

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## Workforce Development

Q\_14486 Describe the Applicant's current employee engagement strategy as it relates to ensuring good jobs for the Applicant's employees. Include an overview of compensation and benefits, job security, working conditions, worker engagement, and the organizational culture.

CBN's employee engagement strategy is deeply integrated with our community-focused approach, mirroring the successful methods of our Surge Link marketing campaigns. We actively engage with the local community through partnerships with local newspapers, advertising via physical flyers, collaborations with community centers, and involvement with local school districts. This localized outreach not only aids in reaching potential employees but also in embedding our operations within the community fabric.

In the rapidly expanding telecommunications industry, the Municipal Infrastructure Program provides opportunity for a pathway to a valuable and long-lasting career. CBN offers its employees opportunities to acquire lifelong skills, ensuring job security and a commitment to professional development within a dynamic industry. Our organizational culture fosters a supportive environment where employees are encouraged to grow and thrive, contributing to both their personal development and the advancement of the community at large.

This holistic approach to employee engagement ensures good jobs for employees, characterized by competitive compensation and benefits, safe and positive working conditions, active worker engagement, and a culture that values every individual's contribution to our collective success.

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Q\_14733 Describe the interest of one or more eligible partners and vendors to support the project. Detail any specific commitments that have been made.

The success of Surge Link thus far has been enabled by the involvement and

commitment of key partners, each bringing specialized expertise and services essential for a comprehensive and impactful implementation. These vendors, already engaged and under contract through our initial pilot phase, have extended their commitment to support the project's expansion and long-term objectives.

CBN, our primary deployment partner, plays a critical role in networking aspects of the project, offering an array of services from planning and installation to operations and maintenance. Their expertise ensures the technical foundation of our project is solid, scalable, and sustainable. CBN's commitment extends beyond mere installation; they are instrumental in the ongoing optimization and reliability of the network, ensuring high-quality service delivery to all project areas.

Syracuse Housing Authority (SHA), acting as a pivotal deployment partner, significantly enhances the impact of our project through an expanded partnership rooted in our existing relationship with Surge Link. As a housing authority with a widespread presence throughout the city, SHA offers invaluable access to a broad array of physical assets that will serve as critical Points of Presence (POPs) for our network. This collaboration not only facilitates the extension of our broadband services directly to residents within their managed properties but also amplifies our reach into surrounding neighborhoods, ensuring a more comprehensive and inclusive coverage.

US Ignite serves as an evaluation and strategic partner. Their involvement is key to assessing the efficacy and reach of our broadband services, providing data-driven insights that guide the project's evolution. Their analytical expertise aids in refining programmatic aspects, ensuring that our offering not only meets the current needs of the community but is also adaptable to future demands. Their commitment to strategic development helps in navigating the complex landscape of digital equity planning, ensuring that we remain aligned with our goals and responsive to emerging challenges and opportunities.

Our Digital Empowerment Program, administered by the Syracuse Northeast Community Center (SNCC) addresses a crucial component of our project. Their services encompass digital literacy training and device distribution, among other support mechanisms, to ensure that the technological benefits of the project translate into tangible improvements in the lives of community members. SNCC's dedication to bridging the digital divide goes beyond mere access, focusing on equipping individuals with the skills and tools necessary for meaningful participation in the digital world. Their involvement underscores our commitment to a holistic approach that considers not just the physical infrastructure but also the human capacity to leverage digital technologies for empowerment and advancement.

Together, these partners form a robust support system for our project, embodying a holistic approach that covers the technical, strategic, and community-focused aspects necessary for success. Their specific commitments to their respective roles within the project not only validate the feasibility and relevance of our initiative but also enhance our confidence in its successful implementation and lasting impact on digital equity.

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Q\_14734 Please specify the level of commitment from the Internet Service Providers (ISPs) to operate on the proposed network build. For open-access network, the Applicant must have commitment from one or more ISPs to operate on the network.

Committed one or more ISPs for last-mile

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## Certification

Q\_1038 By entering your name in the box below, you certify that you are authorized on behalf of the applicant and its governing body to submit this application. You further certify that all of the



information contained in this Application and in all statements, data and supporting documents which have been made or furnished for the purpose of receiving assistance for the project described in this application, are true, correct and complete to the best of your knowledge and belief. You acknowledge that offering a written instrument knowing that the written instrument contains a false statement or false information, with the intent to defraud the State or any political subdivision, public authority or public benefit corporation of the State, with the knowledge or belief that it will be filed with or recorded by the State or any political subdivision, public authority or public benefit corporation of the State, constitutes a crime under New York State Law.

Jennifer Tift

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Q\_14767 By entering your name in the box below, you the Applicant acknowledges the following:

- Applicant will meet all Project Requirements and Applicant Requirements per the RFA.
- Application is not receiving funding from other federal or state sources for the same activities proposed for MIP funding.
- Applicant will provide additional cost estimates, if requested, for Properties in the portfolio agreed upon with CAO, including total grant amount requested and matching funds.
- Application will work with all appropriate agencies to obtain all required right of way approvals.
- Application will obtain all required permits and private easement approvals.
- Application will coordinate project deployment with all utilities.
- Application will obtain any necessary subcontractors.
- Application will provide on-site construction inspections to ensure proper design and execution.
- Application will coordinate and resolve third-party or private claims.
- Application will repair any and all damage to private and government property.
- Application will at all times, maintain an adequate staff of experienced and qualified employees for efficient performance.
- Application will at all times, furnish or perform any services in a safe, proper, and professional manner.
- Application will comply with all federal, state, and local laws and regulations.
- Application must submit a performance report to the State that includes the following key performance indicators, if selected to be a Grantee:
  - Project milestones and percentage of project/site completion, including construction milestones, quantity of fiber deployed, problems/issues encountered, and actions taken to resolve construction issues
  - Description of changes, challenges, or risks to project timeline, including environmental compliance and permitting challenges
  - Detailed reporting of actual construction costs, as compared to approved construction costs
  - Speed and latency test data at the address level for all locations served in the project area--including maximum download speed offered, maximum download speed delivered, maximum upload speed offered, maximum upload speed delivered, and latency.
  - Maps and associated data for all locations served, including all buildings/sites where service was installed.
  - Compliance with Prevailing Wage requirements, as determined during negotiations
  - Implementation progress of Digital Equity, Workforce Development, and Diversity Practices plans
  - Other reporting as required by grantor agencies or as mutually agreed upon by the Applicant and State.
  - Subscription information including the number of paying subscribers enrolled in the service, the number of low-income subscribers enrolled in ACP, and the number of subscribers enrolled in a low-cost service plan
  - Information about customers' Internet access prior to enrolling in the service including whether or not the customer had a previous fixed Internet subscription and the speed of that previous subscription
- Applicant acknowledges receipt of and compliance with addenda to this RFA.

Jennifer Tift

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Q\_2365 By entering your name in the box below, you are acknowledging that ESD's Contractor & Supplier Diversity policy will apply to this project. You are further acknowledging that you are aware of ESD's agency-wide Minority and Women Business Enterprise ('MWBE') utilization goal of 30%. Please note that each project will be assigned an individual contract-specific goal, which may be higher or lower than 30%. Furthermore, you understand that, should this project receive a funding

award, the Applicant shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project and failure to attain MWBE goal could result in grant amount being reduced.

Jennifer Tift

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Q\_4182 By entering your name in the box below, you certify and agree that you are aware that your award will be reduced in proportion to the reduction of jobs and/or total project costs.  
Furthermore, you understand that, should this project receive a funding award, the Applicant will maintain such records and take such actions necessary to demonstrate such compliance throughout the completion of the project.

Jennifer Tift

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Q\_7341 By entering your name in the box below, you certify, under penalty of perjury, that the information given herein is true and correct in all respects for the company or organization applying for funding (the "Company"), presently and for the past five years: -the Company is not a party to any litigation or any litigation is not pending or anticipated that could have an adverse material effect on the company's financial condition;

-the Company does not have any contingent liabilities that could have a material effect on its solvency;

-the Company, its affiliates or any member of its management or any other concern with which such members of management have been officers or directors, have never been involved in bankruptcy, creditor's rights, or receivership proceedings or sought protection from creditors;

-the Company is not delinquent on any of its state, federal or local tax obligations;

-No principal, officer of the Company, owner or majority stockholder of any firm or corporation, or member of the management has been charged or convicted of a misdemeanor or felony, indicted, granted immunity, convicted of a crime or subject to a judgment, or the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for: (i) any business-related activity including, but not limited to, fraud, coercion, extortion, bribe or bribe receiving, giving or accepting unlawful gratuities, immigration or tax fraud, racketeering, mail fraud, wire fraud, price fixing or collusive bidding; or (ii) any crime, whether or not business related, where the underlying conduct relates to truthfulness, including but not limited to, the filing of false documents or false sworn statements, perjury or larceny;

-the Company or any of the Company's affiliates, principal owners or Officers has not received a violation of State Labor Law deemed "willful";

-the Company or any of its affiliates has never been cited for a violation of State, Federal, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices;

-there are not any outstanding judgments or liens pending against the Company other than liens in the normal course of business.

-the Company or any of its affiliates, principal owners or officers the company has not been the subject of any judgments, injunctions, or liens including, but not limited to, judgments based on taxes owed, fines and penalties assessed by any governmental agency, or elected official against the Company.

- the Company or any of its affiliates, principal owners or officers the company has not been investigated by any governmental agency, including, but not limited to, federal, state and local regulatory agencies

-the Company or any of its affiliates, principal owners or officers the company has not been debarred from entering into any government contract; been found non-responsible on any government contract; been declared in default or terminated for cause on any government contract; been determined to be ineligible to bid or propose on any contract; been suspended from bidding on any government contract; received an

overall unsatisfactory performance rating from any government agency on any contract; agree to a voluntary exclusion from bidding or contracting on a government contract.

- the Company or any of its affiliates, principal owners or officers the company has not failed to file any of the required forms with any government entity regulating the Company. By entering your name in the box below, you agree to allow the Department of Taxation to share the Company tax information with ESD. By entering your name in the box below, you agree to allow the Department of Labor to share tax and employer information with ESD. Note: If any of the statements above are not true, in addition to entering your name, also include an explanation in the box below, indicating which issue you are addressing.

Jennifer Tiff

---

## Net New Jobs

No job answers necessary due to your associated programs.

## Qualified Investments

No investment answers necessary due to your associated programs.

## Total Project Cost

Total project cost: \$ 10,625,657

## Funding Requested from Program

| Program   | Amount Requested |
|---|------------------|
| ConnectALL – Municipal Infrastructure Program (MIP) | \$ 9225657       |

## Attachment Questions & Answers

### ConnectALL – Municipal Infrastructure Program (MIP)

#### Project Summary

Q\_14740 Provide a summary of the following key points of the project [Not to exceed two pages]:

- List of applicants and any eligible partners
- List of the proposed project areas with a percentage of unserved and underserved locations
- Total miles of proposed new fiber construction
- Brief overview of the proposed project approach
- Proposed infrastructure ownership model
- Approach for sharing the newly built infrastructure as open-access or reserved for exclusive use
- Total project budget with the amount requested from MIP grant funds

Name your file using the following naming convention: "ApplicantName\_Project-Summary\_MM.DD.YY"

Please note that the accepted file type for this question is PDF. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_Project Summary\\_03.08.24.pdf](#)  
[Download](#)

---

## Financial Capability

Q\_14686 Upload the Applicant's most recent financial statements prepared in accordance with standard accounting procedures of the Applicant and all principals of the organization. Eligible Private Applicants should provide three years of audited financial statements.

Name your file using the following naming convention: "ApplicantName\_Finances\_MM.DD.YY"

Please note that the accepted file type for this question is PDF. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[City of Syracuse\\_Finances\\_03.08.24.pdf](#)

[Download](#)

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## Experience and Relevant Qualifications

Q\_14687 Please provide two case studies of relevant past work done by the Applicant or team, with preference to work conducted in New York State. Include reference to adhering to relevant state and federal regulations.

Case studies shall be brief and include the following for each:

- Number of addresses served
- Number of businesses subcontracted
- Route miles constructed, and costs incurred by category (e.g., make-ready, permitting, engineering/design, labor, construction)
- Description of the technology deployed and why it was the appropriate choice for the project
- Service level commitment offered
- Advertised download speed in megabits per second
- Advertised upload speed in megabits per second
- Monthly, non-promotional price for each service offered over the funded infrastructure
- Specifications of signal latency and service reliability parameters
- Descriptions of any delays or changes made to project timeline

Name your file using the following naming convention: "ApplicantName\_Experiences\_MM.DD.YY"

Please note that the accepted file type for this question is PDF. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_Experiences\\_03.08.24.pdf](#)

[Download](#)

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## Deployment Timelines

Q\_14688 Please provide a project management plan with timelines clearly identifying the time to first connections and the time to project completion.

Name your file using the following naming convention:  
"ApplicantName\_Deployment-Timelines\_MM.DD.YY"

Please note that the accepted file types for this question are PDF and XLSX. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_Deployment-Timelines\\_03.08.24.pdf](#)

[Download](#)

---

## MIP RFA Templates

Q\_14765 Please provide the following information by filling out all four tabs of the MIP RFA Templates file (link to download below).

1. Project budget with a breakdown of costs using the “MIP Budget Templates” tab
2. Services and products that will be offered to the end-users, and pricing of those by completing the “MIP Service Tiers and Pricing” tab:
  - a) Include description of service tiers, speeds, and pricing, inclusive of all taxes and fees.
  - b) Indicate price, upload speed, and download speed for a product at or below \$30 per month, if such a price point is planned
  - c) Include description, including service speeds and means of delivery, of any free service tiers or free introductory periods, if available
3. Details on the intent to hire additional employees if the Applicant is selected to be a Grantee by filling out the “MIP Workforce Development” tab
4. A list of locations the project will serve by filling out the “MIP Location Data” tab. Provide all available location data such as FCC Location ID, address, and latitude/longitude for each location
  - a) Indicate which locations are Unserved, Underserved or Served
  - b) Business, Residential or Mixed
  - c) Community Anchor Institutions

Name your file using the following naming convention:  
“ApplicantName\_MIP-RFA-Filled-Templates\_MM.DD.YY”

Please note that the accepted file type for this question is XLSX. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

Please use the link below to download the templates file.

### [MIP RFA Templates](#)

[Syracuse\\_MIP-RFA-Filled-Templates\\_03.08.24.xlsx](#)  
[Download](#)

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## Network Design

Q\_14689 Please provide a complete or close to complete network design and architecture, including:

- Network elements (both active and passive)
- Connectivity to the internet backbone
- Delivery to each served address with the required throughput and capacity
- Engineering decisions required to achieve service speeds and latency, such as:
  - Backhaul connectivity
  - Head end deployment
  - Core network electronics
  - Fiber capacity and strand counts on each segment of the network
  - Maximum line speed at the premises
  - Oversubscription ratio
  - Split ratios
  - Splice points
  - Drop installation
  - In-unit termination specification
  - CPE or router model and capabilities (including Wi-Fi interface)

Name your file using the following naming convention: "ApplicantName\_Network-Design\_MM.DD.YY"

Please note that the accepted file type for this question is PDF. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_Network-Design\\_03.08.24.pdf](#)  
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## Maps and Addresses

Q\_14690 Please provide Maps and address lists indicating the fiber routes and accompanying infrastructure (e.g., poles and huts) that the MIP grants would fund. Include a list of publicly controlled assets the project may use to support deployment. Include a .kmz or shapefile of the proposed routing with clearly defined layers for the various types of infrastructure and any other information relevant to the design, including:

- Fiber routes and segment types (backbone, distribution, etc.)
- Installation method (direction bore, micro-trenching, etc.)

Name your file using the following naming convention: "ApplicantName\_Maps-Addresses\_MM.DD.YY"

Please note that the accepted file types for this question are kmz, kml, shp, and shx. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_Maps-Addresses\\_03.08.24.kmz](#)  
[Download](#)

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## ISP Letters Of Commitment

Q\_14691 For an open-access infrastructure, please provide Letters of Commitment to operate on the network from one or more ISP, indicating details of the ISP's planned technology approach and demonstration of a currently functional network meeting CAO requirements elsewhere. Other supporting documentation may include letters of endorsement from ISP(s) currently operating on infrastructure built by the applicant elsewhere, and documentation from an operator using infrastructure built by the Applicant to host ISPs that meet CAO's service requirements.

Name your file using the following naming convention: "ApplicantName\_ISP-LOC\_MM.DD.YY"

Please note that the accepted file type for this question is PDF. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_ISP-LOC\\_03.08.24.pdf](#)  
[Download](#)

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## Workforce Development

Q\_15016 Attach letter(s) of commitment, if available, from partner organization(s) that demonstrate(s) Applicant's current engagement, or future intent to engage, with partner(s) through advising on curriculum or program design, providing program funding, interviewing talent, hiring talent, building an apprenticeship or other program, or upskilling existing workers. Letters can be from labor unions, workforce development organizations, state and local workforce boards, educational institutions, community-based organizations, or others relevant organizations.

Name your file using the following naming convention: "ApplicantName\_WorkforceLOCs\_MM.DD.YY"

Please note that the accepted file type for this question is PDF. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

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No attachment, cannot upload

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### **Additional Document(s)**

Q\_15018 Provide any additional document(s) to strengthen your application (e.g. letters of endorsement from the proposed area municipality).

Name your file using the following naming convention: "ApplicantName\_AdditionalDocs\_MM.DD.YY"

Please note that the accepted file types for this question are PDF and ZIP. If you have an issue with uploading any files, please reach out to [cfa-programs@ny.gov](mailto:cfa-programs@ny.gov) and [MIP@esd.ny.gov](mailto:MIP@esd.ny.gov).

[Syracuse\\_AdditionalDocs\\_03.08.24.pdf](#)  
[Download](#)

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## **Legend**

[x] = Expired Program

**CITY OF SYRACUSE, NEW YORK**

**Financial Statements as of  
June 30, 2022**

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

**Bonadio & Co., LLP**  
Certified Public Accountants



# CITY OF SYRACUSE, NEW YORK

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**INDEPENDENT AUDITOR'S REPORT**

March 24, 2023

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council  
City of Syracuse, New York

***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, 2022, 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, 2022, 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 97% of the assets, 96% of the net position and 94% of the revenues of the aggregate discretely presented component units as of June 30, 2022 and the respective changes in financial position 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.

***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 13 to the financial statements, during the year ended June 30, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. 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.

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 March 24, 2023, 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, 2022**

---

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, 2022.

Please read it in conjunction with the City's basic financial statements, including the notes to the financial statements, which begin on page 32. 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 liabilities and deferred inflows of \$2,552,883 exceeded total assets and deferred outflows of \$2,255,263 resulting in a deficit of \$297,620 (total net position).
- Total net position at June 30, 2022 consisted of a negative unrestricted deficit of \$992,815 which is partially offset by positive net position balances of \$625,566 of net investment in capital assets and \$69,629 of restricted net position.
- Total general and program revenues for the fiscal year ended June 30, 2022 were \$984,041 compared to total expenses of \$644,524 resulting in an increase to total net position of \$339,517 as a result of this year's operations.
- For fiscal year 2022, total revenues for governmental activities were \$953,950 compared to \$819,773 for fiscal year 2021. For the same periods, total revenue for business-type activities were \$30,090 and \$28,861, respectively.
- General Fund's revenues (including operating transfers in and other financing sources) were \$291,200 for the fiscal year while General Fund expenditures (including operating transfer out) were \$254,324 causing an increase of \$36,876 in the General Fund's fund balance.
- The total fund balance for the General Fund at June 30, 2022 is \$119,015. Of that total, \$102,792 is unassigned. The unassigned fund balance of the General Fund as a percentage of total General Fund 2022 expenditures (including operating transfer out) is 40.4%.

#### **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 18 and 19 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 20. 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 6. 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, 2022

---

These two statements 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 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** - These include the majority of City's basic service, such as police, fire, public works, community development, urban development and 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 it 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 11. The fund financial statements begin on page 20 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.
- **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, such as cash flows, for proprietary funds.



## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

- *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 28 and 29.

#### Government-wide Analysis

The City's total net position increased from a deficit balance of \$637,137 at June 30, 2021 to a deficit balance of \$297,620 at June 30, 2022. 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 |              |
|--------------------------------------|-------------------------|--------------|--------------------------|-----------|--------------------------|--------------|
|                                      | 2022                    | 2021         | 2022                     | 2021      | 2022                     | 2021         |
| Current and other assets             | \$ 765,976              | \$ 641,476   | \$ 19,276                | \$ 20,594 | \$ 785,252               | \$ 662,070   |
| Capital assets                       | 1,006,103               | 947,955      | \$ 117,086               | 115,743   | 1,123,189                | 1,063,698    |
| Total assets                         | 1,772,080               | 1,589,431    | 136,362                  | 136,337   | 1,908,441                | 1,725,768    |
| Total deferred outflows of resources | 341,185                 | 389,499      | 5,637                    | 8,521     | 346,822                  | 398,020      |
| Total bonds payable                  | 481,012                 | 535,308      | 52,604                   | 55,836    | 533,616                  | 591,144      |
| Other long-term liabilities          | 716,290                 | 927,915      | 24,972                   | 32,224    | 741,262                  | 960,139      |
| Other liabilities                    | 193,403                 | 336,647      | 2,718                    | 4,084     | 196,121                  | 340,731      |
| Total liabilities                    | 1,390,705               | 1,799,870    | 80,294                   | 92,144    | 1,470,999                | 1,892,014    |
| Total deferred inflows of resources  | 1,052,161               | 836,423      | 29,722                   | 32,488    | 1,081,883                | 868,911      |
| Net invested in capital assets       | 561,084                 | 522,486      | 64,482                   | 59,907    | 625,566                  | 582,393      |
| Restricted                           | 69,155                  | 130,666      | 474                      | 474       | 69,629                   | 131,140      |
| Unrestricted (deficit)               | (959,841)               | (1,310,515)  | (32,974)                 | (40,155)  | (992,815)                | (1,350,670)  |
| Total net position                   | \$ (329,602)            | \$ (657,363) | \$ 31,982                | \$ 20,226 | \$ (297,620)             | \$ (637,137) |

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, 2022, this balance was \$625,566 versus \$582,393 at June 30, 2021. 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 \$69,629 at June 30, 2022, 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, 2022 was a deficit of \$992,815, versus a deficit at June 30, 2021 of \$1,350,670.

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

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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, 2022 was \$656,071 and related deferred inflows of resources and deferred outflows of resources were \$647,070 and \$114,449, respectively.

#### Governmental Activities

Total net position of the City's governmental activities increased from a deficit balance of \$657,363 at June 30, 2021 to a deficit balance of \$329,602 at June 30, 2022, an increase of \$327,761. Unrestricted net position increased \$350,674 from a deficit of \$1,310,515 at prior fiscal year-end compared to a deficit of \$959,841 at current fiscal year-end.

#### Business-Type Activities

In fiscal year 2022, total net position of City's business-type activities increased by \$11,756 with \$7,181 of that increase in unrestricted net position. Total net position increased to \$31,982 at June 30, 2022 compared to \$20,226 at prior year-end while the unrestricted deficit balance for business-type activities increased to a deficit balance of \$32,974 from a deficit balance of \$40,155 over the same period.

#### Government-wide Analysis

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on page 19. Key elements of this change are illustrated in *Table 2 - Condensed Statement of Activities - Primary Government* on the previous page.

For the current year, total revenues were \$984,041 which was an increase of \$135,407, or 16%, compared to prior year total revenues of \$848,634. The primary program and general revenue increases, compared to prior year revenue balances, that contributed to this increase were:

- \$19,135, or 4.2%, in Unallocated state aid
- \$8,078, or 8.0%, in Sales and use taxes
- \$2,170, or 4.4%, in Fees, fines, and charges
- \$20,904, or 100.7%, in Capital grants and contributions
- \$88,978, or 100.5% in Operating grants and contributions
- \$139, or 127.4% in Use of money and property
- \$9,297 or 104% in Miscellaneous revenues

These revenue increases were partially offset by a decrease in Unallocated federal aid of \$11,999, or 72.8%, compared to prior year. Small year over year differences in the remaining general and program revenues comprise the remaining decrease of \$1,295 in the current year.

For the current year, total expenses were \$644,524 which was a decrease of \$29,455, or 4.4%, compared to prior year total expenses of \$673,979. The primary program expense decreases, compared to prior year expense balances, that contributed to this decrease were:

- \$18,133, or 113.6%, in Economic opportunity and development
- \$493, or 31.3%, in Culture and recreation
- \$668, or 20.4%, in Sewer
- \$1,421, or 9.9%, in Water
- \$34,133, or 7.6%, in Education

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

These expenses were offset by an increase in General government support of \$6,228, or 130.7% and in Home and community services of \$14,283 or 55.7%. Year over year decreases in the remaining program expenses comprise the remaining increase of \$4,882 in the current year.

Total revenues for the current year were in excess of total expenses resulting in a positive change in net position of \$339,517 compared to a positive change in net position of \$174,655 for the prior year, an increase of \$164,862. Our following analysis separately considers the operations of governmental and business-type activities.

|                                      | <u>Governmental Activities</u> |                     | <u>Business-type Activities</u> |                  | <u>Total Primary Government</u> |                     |
|--------------------------------------|--------------------------------|---------------------|---------------------------------|------------------|---------------------------------|---------------------|
|                                      | <u>2022</u>                    | <u>2021</u>         | <u>2022</u>                     | <u>2021</u>      | <u>2022</u>                     | <u>2021</u>         |
| Revenue:                             |                                |                     |                                 |                  |                                 |                     |
| Program Revenues:                    |                                |                     |                                 |                  |                                 |                     |
| Fees, fines, and charges             | \$ 22,782                      | \$ 21,292           | \$ 29,128                       | \$ 28,448        | \$ 51,909                       | \$ 49,740           |
| Operating grants and contributions   | 177,544                        | 88,566              | -                               | -                | 177,544                         | 88,566              |
| Capital grants and contributions     | 40,720                         | 20,355              | 952                             | 412              | 41,671                          | 20,767              |
| General Revenues:                    |                                |                     |                                 |                  |                                 |                     |
| Property taxes and tax items         | 106,119                        | 107,337             | -                               | -                | 106,119                         | 107,337             |
| Sales and use taxes                  | 108,964                        | 100,886             | -                               | -                | 108,964                         | 100,886             |
| Other taxes                          | 4,353                          | 4,429               | -                               | -                | 4,353                           | 4,429               |
| Unallocated state aid                | 470,515                        | 451,380             | -                               | -                | 470,515                         | 451,380             |
| Unallocated federal aid              | 4,483                          | 16,482              | -                               | -                | 4,483                           | 16,482              |
| Use of money and property            | 238                            | 108                 | 11                              | 1                | 249                             | 109                 |
| Contributions                        | -                              | -                   | -                               | -                | -                               | -                   |
| Miscellaneous                        | 18,235                         | 8,938               | -                               | -                | 18,235                          | 8,938               |
| Total revenues                       | <u>953,950</u>                 | <u>819,773</u>      | <u>30,090</u>                   | <u>28,861</u>    | <u>984,041</u>                  | <u>848,634</u>      |
| Expenses:                            |                                |                     |                                 |                  |                                 |                     |
| Program Expenses:                    |                                |                     |                                 |                  |                                 |                     |
| General government support           | 10,991                         | 4,764               | -                               | -                | 10,991                          | 4,764               |
| Public safety                        | 133,417                        | 128,924             | -                               | -                | 133,417                         | 128,924             |
| Transportation                       | 17,900                         | 15,437              | -                               | -                | 17,900                          | 15,437              |
| Economic opportunity and development | (2,175)                        | 15,958              | -                               | -                | (2,175)                         | 15,958              |
| Home and community services          | 39,929                         | 25,646              | -                               | -                | 39,929                          | 25,646              |
| Culture and recreation               | 1,084                          | 1,577               | -                               | -                | 1,084                           | 1,577               |
| Education                            | 412,706                        | 446,840             | -                               | -                | 412,706                         | 446,840             |
| Interest on long-term debt           | 15,162                         | 17,234              | -                               | -                | 15,162                          | 17,234              |
| Water                                | -                              | -                   | 12,901                          | 14,323           | 12,901                          | 14,323              |
| Sewer                                | -                              | -                   | 2,608                           | 3,277            | 2,608                           | 3,277               |
| Total expenses                       | <u>629,014</u>                 | <u>656,380</u>      | <u>15,510</u>                   | <u>17,599</u>    | <u>644,524</u>                  | <u>673,979</u>      |
| Excess of revenues over expenses     | <u>324,936</u>                 | <u>163,393</u>      | <u>14,581</u>                   | <u>11,262</u>    | <u>339,517</u>                  | <u>174,655</u>      |
| Transfers                            | 2,825                          | 2,825               | (2,825)                         | (2,825)          | -                               | -                   |
| Change in net position               | <u>327,761</u>                 | <u>166,218</u>      | <u>11,756</u>                   | <u>8,437</u>     | <u>339,517</u>                  | <u>174,655</u>      |
| Net position (deficit) - beginning*  | (657,363)                      | (823,581)           | 20,226                          | 11,789           | (637,137)                       | (811,792)           |
| Net position (deficit) - ending      | <u>\$ (329,602)</u>            | <u>\$ (657,363)</u> | <u>\$ 31,982</u>                | <u>\$ 20,226</u> | <u>\$ (297,620)</u>             | <u>\$ (637,137)</u> |

\* Beginning 2021 Governmental Activities Net deficit balance includes a \$167 prior period adjustment

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

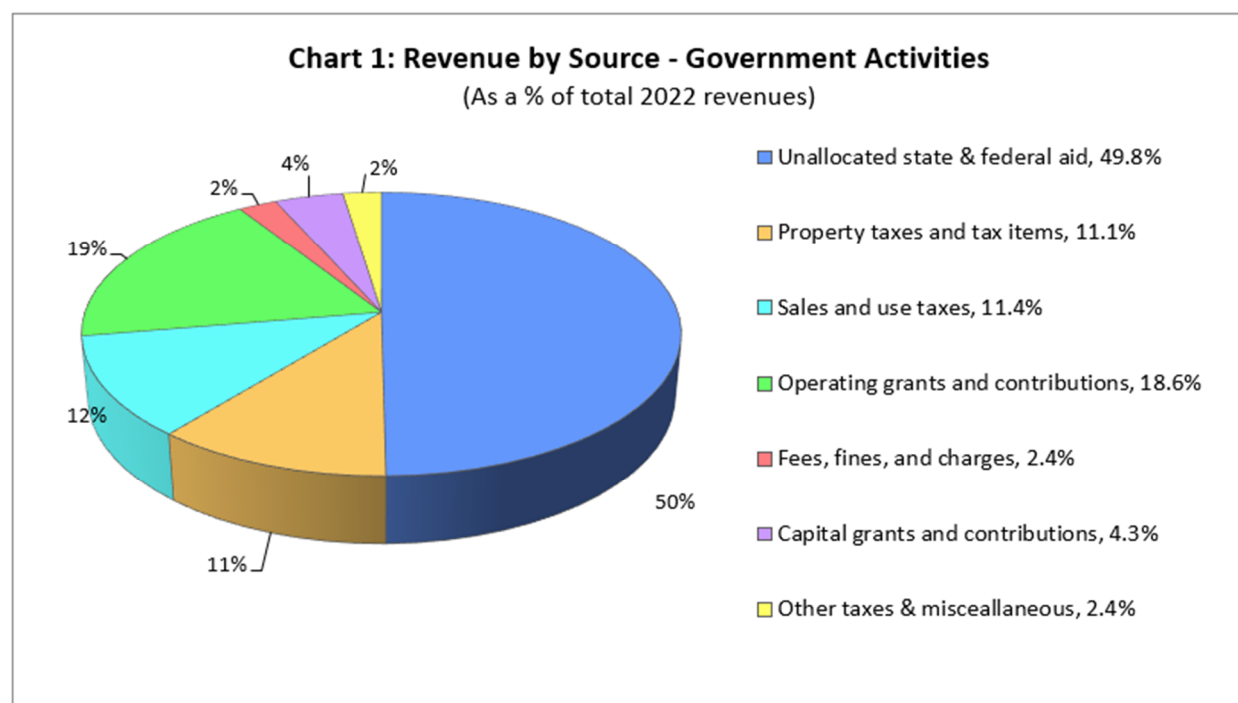
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#### Governmental Activities

As mentioned previously in the FINANCIAL HIGHLIGHTS section, revenues for the City's governmental activities for the current year were \$953,950 compared to total revenues of \$819,773 in the prior year, an increase of \$134,178, or 16.4%. The primary program and general revenue increases, compared to prior year revenue balances, that contributed to this increase were:

- \$19,135, or 4.2%, in Unallocated state aid
- \$8,078, or 8.0%, in Sales and use taxes
- \$88,978, or 100.5%, in Operating grants and contributions
- \$20,365, or 100.0%, in Capital grants and contributions
- \$1,489, or 7.0% in Fees, fines and charges
- \$9,297, or 104.0% in Miscellaneous revenue

These revenue increases were partially offset by decreases in Unallocated federal aid of \$11,999. Small year over year differences in the remaining general revenues comprise the remaining decrease of \$1,165 in the current year. See *Chart 1: Revenue by Source – Governmental Activities* for the each major revenue source as a percentage of total revenues for the current year



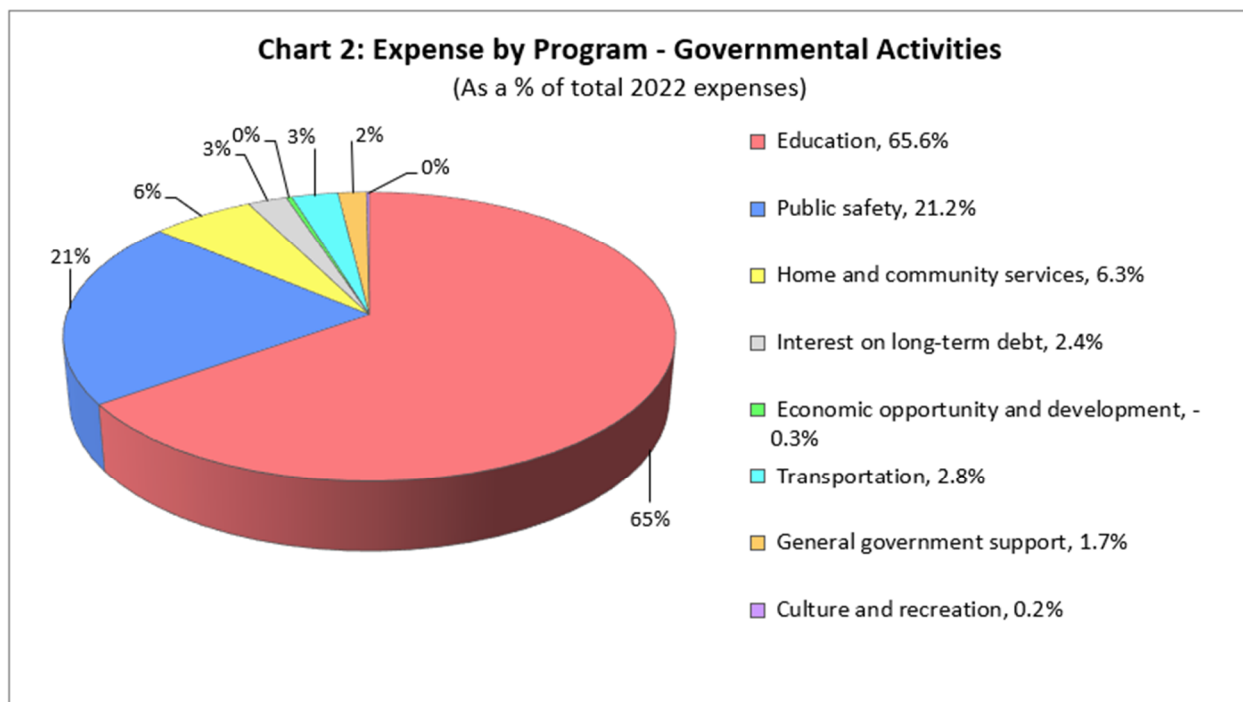
For the current year, total program expenses for governmental activities were \$629,014 which was a decrease of \$27,366, or 4.2%, compared to prior year total expenses of \$656,380. The primary program expense decreases, compared to prior year expense balances, that contributed to this decrease were:

- \$18,133, or 113.6%, in Public safety
- \$493, or 31.3%, in Culture and recreation
- \$34,133, or 7.6%, in Education
- \$2,073, or 12.0%, in Interest on long-term debt

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

These expense decreases were partially offset by an increase in General government support of \$6,228, or 130.7%, compared to prior year and in Home and community services of \$14,283 or 55.7% compared to the prior year. Other small year over year differences of \$6,956 comprise the remaining balance partially offsetting these decreases. See *Chart 2: Expense by Program – Governmental Activities* for the 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 \$327,761 compared to a positive change in net position (after transfers) of \$166,218 for the prior year, an increase of \$161,543.

#### Business-Type Activities

For the current year, total revenues for business-type activities were \$30,090 which was an increase of \$1,229, or 4.3%, compared to total revenues of \$28,861 in the prior year. Capital grants and contributions increased \$539, or 130.8%, compared to prior year.

For the current year, total program expenses for business-type activities were \$15,510 which was a decrease of \$2,090, or 11.9%, compared to prior year total expenses of \$15,510. Sewer and Water expenses decreased \$668, or 20.4%, and \$1,421, or 9.9%, respectively, in the current year compared to prior year.

Total revenues for business-type activities in the current year were in excess of total business-type activities expenses resulting in a positive change in net position (after transfers) of \$11,756 compared to a positive change in net position (after transfers) of \$8,437, an increase of \$3,319.

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

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

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#### Governmental Funds

As noted earlier 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 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.

At June 30, 2022, the City's Total Governmental Funds' fund balance is \$350,208, which is a 20.42% increase from last year's total of \$290,827. The \$59,380 increase in total fund balance is primarily due to:

- \$54,007 increase in City School District General Fund
- \$36,876 increase in General Fund

These increases in Total Governmental Funds' fund balance are partially offset by the:

- \$35,879 decrease in Joint Schools Construction Board

Of the total \$350,208 in Total Governmental Funds' fund balance, \$102,792 of fund balance is available for spending at the government's discretion (unassigned fund balance). \$69,155 of fund balance is subject to external, legally enforceable restrictions on its use (restricted) while \$176,546 is allocated by ordinance or through intent to be used for specific purposes (committed and assigned). The remainder of \$1,715 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 \$102,792 while total fund balance was \$119,015. 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 \$254,324 is 40.4% while the General Fund's total fund balance represents 46.8% of that same amount. The City's General Fund's fund balance increased by \$36,876 during the current year. The adopted budget for the fiscal year ended June 30, 2022, budgeted a net deficiency of \$19,955, 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 following titled General Fund Budgetary Highlights.
- *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. The entire balance is reserved for the purposes of this project and is not available for appropriation for any other purpose. The revenue for this fund is provided by bond proceeds and interest paid on the unspent proceeds. A decline in fund balance reflects the spending of bond proceeds to repair schools and conversely, an increase indicates that bond proceeds exceeded amounts spent in the current year.
- *Special Revenue - City School District General and Special Aid Funds* - The 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 \$154,096 compared to a combined total fund balance of \$100,057 in the prior year. The increase of \$54,039 in fund balance for the two Special Revenue funds in the current year is

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

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due to higher total revenues (including other financing sources) of \$572,133 compared to lower expenditures (including other financing uses) of \$518,094.

- *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. At the end of the current fiscal year, the fund balance was \$40,701. The entire balance of the fund is required to be used in the completion of City and School District capital projects. The Capital Projects Fund is treated as a non-major government fund effective fiscal year 18-19.
- *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 \$10,658 in both revenues and expenditures while the fund recorded \$9,915 in the prior fiscal year for revenues and expenditures. At June 30, 2022, total assets and liabilities of the fund were \$18,246 while at the end of the previous fiscal year, total assets and total liabilities were \$17,637.

**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 \$31,982, an increase of \$11,756, compared to the prior year end balance of \$20,226. For the current year, the Water and Sewer Funds had an increase in net position of \$9,677 and \$2,080, respectively.

**Internal Service Fund** - The Aviation Fund is treated as an Internal Service Fund effective with fiscal year 18-19. Net position at June 30, 2022 was \$109,618, an increase of \$2,28 from the prior year-end.

#### **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, 2022, included estimated revenues and annual appropriations of \$274,910.

During the course of the year, the City's General Fund budget was amended to reflect additional revenues and additional appropriations for various small items, resulting in a final, revised budget of \$274,910, utilizing none of the fund balance. Please refer to page 84 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 \$36,876, as compared to a final adopted budget with a projected flat position. This favorable variance of \$36,876 was driven by a number of increases in projected revenues as well as decreases in budgeted expenditures.

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

For the current year, total General Fund revenues were \$285,465 which was \$13,380, or 4.9%, higher than the budgeted total revenues for 2022 of \$272,085. The primary revenues with favorable variances, compared to the current year budget, were:

- \$5,266, or 5.4%, in Federal and state aid and other grants
- \$7,067 or 7.0% in Sales and use taxes
- \$6,103, or 176.7% in Other revenues

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

- \$3,153, or 6.9%, in General property taxes and tax items
- \$1,235, or 28.5%, in Fines and forfeitures

Offsetting favorable and unfavorable variances for the other revenues, compared to the budget, comprise the remaining unfavorable variance of \$668.

|   | <u>2022</u><br><u>Actual</u> | <u>2022</u><br><u>Budget</u> |
|---|------------------------------|------------------------------|
| Total revenues                                    | \$ 285,465                   | \$ 272,085                   |
| Total expenditures                                | 230,569                      | 252,130                      |
| Excess (deficiency) of revenues over expenditures | 54,895                       | 19,955                       |
| Other financing sources                           | 2,910                        | -                            |
| Operating transfers in                            | 2,825                        | 2,825                        |
| Operating transfers out                           | (23,755)                     | (22,780)                     |
| Total other financing sources (uses)              | (18,019)                     | (19,955)                     |
| Change in fund balance                            | \$ 36,876                    | \$ -                         |

For the current year, total General Fund expenditures were \$230,569 which was \$21,561, or 8.6%, lower than the budgeted total expenditures for 2022 of \$252,130. The primary expenditures with favorable variances, compared to the current year budget, were:

- \$17,916, or 10.5%, in Public safety
- \$3,606, or 9.2%, in General government support

Offsetting favorable and unfavorable variances for the other expenditures, compared to the budget, comprise the remaining favorable variance of \$39.



# CITY OF SYRACUSE, NEW YORK

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

### 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 \$1,122,054 compared with the previous year-end amount of \$1,063,698. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress.

The City's governmental capital assets (net of accumulated depreciation) at June 30, 2022 were \$1,004,969 compared to \$947,955 at prior year-end. For the City's business-type activities, Net capital assets at June 30, 2022 were \$117,086 compared to a balance of \$115,743 at the end of the prior year.

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)* for summary information for the City's capital assets.

|                             | Governmental Activities |                   | Business-type Activities |                   | Total Primary Government |                     |
|-----------------------------|-------------------------|-------------------|--------------------------|-------------------|--------------------------|---------------------|
|                             | 2022                    | 2021              | 2022                     | 2021              | 2022                     | 2021                |
| Land                        | \$ 18,768               | \$ 18,768         | \$ 4,485                 | \$ 4,485          | \$ 23,253                | \$ 23,253           |
| Buildings                   | 406,183                 | 377,689           | 550                      | 594               | 406,732                  | 378,282             |
| Machinery and equipment     | 25,412                  | 23,197            | 1,994                    | 2,866             | 27,407                   | 26,063              |
| Improvements/infrastructure | 193,064                 | 197,886           | 97,097                   | 97,168            | 290,161                  | 295,054             |
| Construction in progress    | 361,542                 | 330,415           | 12,960                   | 10,630            | 374,501                  | 341,045             |
| Total capital assets, net   | <u>\$ 1,004,969</u>     | <u>\$ 947,955</u> | <u>\$ 117,086</u>        | <u>\$ 115,743</u> | <u>\$ 1,122,054</u>      | <u>\$ 1,063,698</u> |

Not included in the above Table are right-to-use lease assets with a net value of \$1,134 at December 31, 2022.

#### Long-Term Debt

At the end of the current year, the City had \$533,616 in total debt compared to \$723,111 at the end of the prior year, a decrease of \$189,494, or 26.21%. 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 |                   |
|---|-------------------------|-------------------|--------------------------|------------------|--------------------------|-------------------|
|   | 2022                    | 2021              | 2022                     | 2021             | 2022                     | 2021              |
| General obligation bonds payable - City     | \$ 148,789              | \$ 174,763        | \$ 28,979                | \$ 31,061        | \$ 177,768               | \$ 205,824        |
| General obligation bonds payable - District | 332,223                 | 360,545           | -                        | -                | 332,223                  | 360,545           |
| Constructions bonds payable - City          | -                       | -                 | 23,625                   | 24,775           | 23,625                   | 24,775            |
| Revenue anticipation notes - City           | -                       | 46,000            | -                        | -                | -                        | 46,000            |
| Revenue anticipation notes - District       | -                       | 85,967            | -                        | -                | -                        | 85,967            |
| Total debt                                  | <u>\$ 481,012</u>       | <u>\$ 667,275</u> | <u>\$ 52,604</u>         | <u>\$ 55,836</u> | <u>\$ 533,616</u>        | <u>\$ 723,111</u> |

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

With respect to City general obligation bonds, total new debt issued during the year was \$24,751. Proceeds were used to finance capital expenditures. Projects funded with these proceeds are as follows:

| Purpose                          | The Bonds           |
|----------------------------------|---------------------|
| Municipal Sidewalk Program       | \$3,000,000         |
| LED Street Lighting Upgrade      | 2,742,671           |
| Parking Meters                   | 2,025,000           |
| Heavy Rescue Replacement         | 1,500,000           |
| Settlement - Grant               | 1,449,110           |
| Apparatus Replace -Aerial        | 1,400,000           |
| Lafayette PRV Replacement Proj   | 1,300,000           |
| DPW Capital Equipment            | 1,262,156           |
| Parking Garage Rehab             | 1,000,000           |
| CIP Equipment - Packers          | 938,090             |
| Settlement - Cooper Crouse Hinds | 850,000             |
| Parking Garage Rehab             | 700,000             |
| DPW Sweep & Flush Equip          | 631,578             |
| Fiber Optic Trunk Replacement    | 600,000             |
| Facility Rehab Project           | 575,000             |
| W Genesee St Rd Improvement      | 502,950             |
| South Geddes Safety              | 400,000             |
| Clinton Two Way Conversion       | 325,000             |
| Fire Apparatus Replacement       | 320,000             |
| Complete Streets                 | 300,000             |
| Pools & Fountains                | 300,000             |
| City Owned Sidewalks             | 300,000             |
| Eastwood Parks Improvements      | 300,000             |
| Settlement - George              | 295,000             |
| Interstate Lighting Upgrade      | 250,000             |
| Downtown Mill & Pave             | 225,000             |
| Legacy Street Lighting           | 190,000             |
| Settlement - Morris              | 190,000             |
| Pass' Aboretum Park Fence        | 180,000             |
| Legacy Street Lighting           | 170,000             |
| Parks Chipper and Pickup         | 170,000             |
| Legacy Street Lighting           | 150,000             |
| Parks Paving Projects            | 100,000             |
| Creekwalk Amenities              | 40,000              |
| Barry Park Improvements          | 40,000              |
| Radar Sign                       | 30,000              |
|                                  | <u>\$24,751,555</u> |

The City issued \$10,770 in revenue anticipation notes (RANs) during the fiscal year on behalf of the School District for cash flow purposes. A large portion of both the City and School District's state aid is not received until the last quarter of the fiscal year; however, the City did not need cash flow borrowing to fund day-to-day operations during the fiscal year. The City and School District RANs were paid in full at June 30, 2022.

The City had a rating of A1 from Moody's Investors Service and an A+ rating from Standard & Poor's at June 30, 2022.

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 \$345,513 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, 2022**

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#### **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, 2023 fiscal year budget, the City portion of the property tax levy increased by \$2,154, from \$38,697 in fiscal year 2022 to \$40,851 in fiscal year 2023. The School District portion of the levy increased in fiscal year 2023 to \$67,946 from 66,942 in fiscal year 2022. The actual combined property tax levy of the City and School District increased to \$108,797 compared with the previous year of \$105,639. The City and School District combined property tax rate for fiscal year 2023 is \$27.1638 per \$1,000 of assessed property value (\$10.26 for the City and \$16.9038 for the School District).

Revenues for fiscal year 2023 are projected to increase \$28,945, or 10.9%, compared to the previous year's budget and expenditures are projected to increase \$28,945, or 10.9%, compared to the prior year's budget previous. Both the City General Fund's and School District's fiscal year 2022 budget exclude any provision to use fund balance in the fiscal year

#### **COVID 19**

The outbreak of the COVID-19 virus has continued to affect commerce and economic growth worldwide. The impact to the City's operations and finances has been considerable. Although that impact is diminishing the ultimate cost cannot fully be predicted at this time due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its duration, and severity. In addition, it is unknown what continuing actions may be taken by governmental and other health care authorities, including the State and County, to contain or mitigate the disease. As a result of the decreased prevalence of the virus and resultant restrictions, the City has begun to see a resurgence of some revenues, most significantly in sales tax and federal aid. The City continues to monitor the situation and has taken proactive measures to maintain its operations and meet its obligations. The City continues to evaluate various options to mitigate further impacts of COVID-19 on the City's finances, including cash flow borrowings, reductions of budgeted expenditures, and eligibility for federal or state aid for COVID-19 related costs and revenue losses.

#### **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.

## **CITY OF SYRACUSE, NEW YORK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022**

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Although the City School District is a blended component unit of the City, the City School District 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) and The Syracuse Regional Airport Authority 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, 2022

|   | Primary Government         |                             |                         | Component<br>Units   |
|---|----------------------------|-----------------------------|-------------------------|----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                   |                      |
| <b>ASSETS</b>                                     |                            |                             |                         |                      |
| Cash and cash equivalents                         | \$ 202,035,794             | \$ 12,052,471               | \$ 214,088,265          | \$ 44,637,614        |
| Accounts receivable, net                          | 8,756,183                  | 5,069,908                   | 13,826,091              | 4,464,871            |
| Restricted cash and cash equivalents              | 145,589,239                | 474,292                     | 146,063,531             | 30,109,294           |
| Loans receivable - current portion                | 15,717,820                 | -                           | 15,717,820              | 2,075,330            |
| Notes receivable - current portion                | -                          | -                           | -                       | 84,751               |
| Lease receivable - current portion                | 770,689                    | -                           | 770,689                 | 1,053,107            |
| Other receivable                                  | 7,372,898                  | -                           | 7,372,898               | 385,620              |
| Taxes receivable, net                             | 8,109,321                  | -                           | 8,109,321               | -                    |
| Internal balances                                 | 32,612                     | (32,612)                    | -                       | -                    |
| Due from other governments                        | 164,737,079                | 14,371                      | 164,751,450             | 326,411              |
| Due from component units, net                     | 1,370,143                  | -                           | 1,370,143               | -                    |
| Inventory   | 1,629,550                  | -                           | 1,629,550               | 526,124              |
| Prepaid expenses and other assets                 | 90,803                     | -                           | 90,803                  | 1,247,339            |
| Loans receivable, net of current portion          | -                          | -                           | -                       | 4,071,000            |
| Notes receivable, net of current portion          | -                          | -                           | -                       | 4,290,185            |
| Lease receivable, net of current portion          | 1,273,029                  | -                           | 1,273,029               | 8,851,858            |
| Net pension assets                                | 208,491,200                | 1,697,681                   | 210,188,881             | 1,729,766            |
| Capital assets, non-depreciable                   | 380,309,367                | 17,445,096                  | 397,754,463             | 21,336,512           |
| Capital assets, depreciable, net                  | <u>625,793,874</u>         | <u>99,640,463</u>           | <u>725,434,337</u>      | <u>41,334,923</u>    |
| Total assets                                      | <u>1,772,079,601</u>       | <u>136,361,670</u>          | <u>1,908,441,271</u>    | <u>166,524,705</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                            |                             |                         |                      |
| Deferred outflows - debt refunding                | 691,463                    | 271,472                     | 962,935                 | -                    |
| Deferred outflows - OPEB                          | 112,252,880                | 2,195,994                   | 114,448,874             | 3,621,858            |
| Deferred outflows - pensions                      | <u>228,240,661</u>         | <u>3,169,050</u>            | <u>231,409,711</u>      | <u>4,150,057</u>     |
| Total deferred outflows of resources              | <u>341,185,004</u>         | <u>5,636,516</u>            | <u>346,821,520</u>      | <u>7,771,915</u>     |
| <b>LIABILITIES</b>                                |                            |                             |                         |                      |
| Accounts payable and accrued expenses             | 57,178,979                 | 2,212,339                   | 59,391,318              | 4,569,554            |
| Accrued interest                                  | 3,036,216                  | 255,249                     | 3,291,465               | -                    |
| Due to other governments                          | 1,397,902                  | -                           | 1,397,902               | -                    |
| Amounts due to retirement systems                 | 32,739,102                 | 250,357                     | 32,989,459              | -                    |
| Unearned revenue                                  | 80,671,445                 | -                           | 80,671,445              | 3,722,135            |
| Due to primary government                         | -                          | -                           | -                       | 1,370,143            |
| Loans payable                                     | 15,567,820                 | -                           | 15,567,820              | -                    |
| Other liabilities                                 | 2,809,709                  | -                           | 2,809,709               | 735,368              |
| Due to fiduciary funds                            | 1,974                      | -                           | 1,974                   | -                    |
| Long-term liabilities - due within one year       | 58,337,798                 | 5,698,164                   | 64,035,962              | 461,309              |
| Long-term liabilities - due in more than one year | <u>1,138,964,127</u>       | <u>71,878,268</u>           | <u>1,210,842,395</u>    | <u>54,036,229</u>    |
| Total liabilities                                 | <u>1,390,705,072</u>       | <u>80,294,377</u>           | <u>1,470,999,449</u>    | <u>64,894,738</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                            |                             |                         |                      |
| Deferred inflows - lottery aid                    | 13,966,667                 | -                           | 13,966,667              | -                    |
| Deferred inflows - OPEB                           | 623,394,420                | 23,675,906                  | 647,070,326             | 8,770,763            |
| Deferred inflows - pensions                       | 378,542,904                | 6,045,862                   | 384,588,766             | 6,032,041            |
| Deferred inflows - leases                         | <u>36,257,220</u>          | <u>-</u>                    | <u>36,257,220</u>       | <u>9,904,965</u>     |
| Total deferred inflows of resources               | <u>1,052,161,211</u>       | <u>29,721,768</u>           | <u>1,081,882,979</u>    | <u>24,707,769</u>    |
| <b>NET POSITION</b>                               |                            |                             |                         |                      |
| Net investment in capital assets                  | 561,084,201                | 64,481,625                  | 625,565,826             | 15,095,140           |
| Restricted  | 69,154,752                 | 474,292                     | 69,629,044              | 28,515,517           |
| Unrestricted                                      | <u>(959,840,631)</u>       | <u>(32,973,876)</u>         | <u>(992,814,507)</u>    | <u>41,083,456</u>    |
| Total net position                                | <u>\$ (329,601,678)</u>    | <u>\$ 31,982,041</u>        | <u>\$ (297,619,637)</u> | <u>\$ 84,694,113</u> |

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Activities  
For the Year Ended June 30, 2022

|   | Program Revenues |                            |                                       |                                     | Net (Expense) Revenue and Changes in Net Position<br>Primary Government |                             |                  | Component Units |
|---|------------------|----------------------------|---------------------------------------|-------------------------------------|---|-----------------------------|------------------|-----------------|
|   | Expenses         | Fees, Fines and<br>Charges | Operating Grants<br>and Contributions | Capital Grants and<br>Contributions | Governmental<br>Activities  | Business-Type<br>Activities | Total            |                 |
| PRIMARY GOVERNMENT:                               |                  |                            |                                       |                                     |   |                             |                  |                 |
| Governmental Activities:                          |                  |                            |                                       |                                     |   |                             |                  |                 |
| General government support                        | \$ 10,991,143    | \$ 1,944,782               | \$ 3,965,161                          | \$ -                                | \$ (5,081,200)  | \$ -                        | \$ (5,081,200)   | \$ -            |
| Public safety                                     | 133,416,535      | 8,189,380                  | 24,298,164                            | -                                   | (100,928,991)   | -                           | (100,928,991)    | -               |
| Transportation                                    | 17,900,189       | 5,297,756                  | -                                     | 30,657,668                          | 18,055,235  | -                           | 18,055,235       | -               |
| Economic opportunity and development              | (2,174,639)      | 1,522                      | 809,774                               | -                                   | 2,985,935   | -                           | 2,985,935        | -               |
| Home and community services                       | 39,928,643       | 6,087,456                  | 24,578,991                            | 10,062,014                          | 799,818   | -                           | 799,818          | -               |
| Culture and recreation                            | 1,084,497        | 899,420                    | 438,341                               | -                                   | 253,264   | -                           | 253,264          | -               |
| Education   | 412,706,117      | 361,235                    | 123,453,402                           | -                                   | (288,891,480)   | -                           | (288,891,480)    | -               |
| Interest on long-term debt                        | 15,161,669       | -                          | -                                     | -                                   | (15,161,669)  | -                           | (15,161,669)     | -               |
| Total governmental activities                     | 629,014,154      | 22,781,551                 | 177,543,833                           | 40,719,682                          | (387,969,088)   | -                           | (387,969,088)    | -               |
| Business-Type Activities:                         |                  |                            |                                       |                                     |   |                             |                  |                 |
| Water   | 12,901,404       | 23,915,039                 | -                                     | 951,579                             | -   | 11,965,214                  | 11,965,214       | -               |
| Sewer   | 2,608,191        | 5,212,891                  | -                                     | -                                   | -   | 2,604,700                   | 2,604,700        | -               |
| Total business-type activities                    | 15,509,595       | 29,127,930                 | -                                     | 951,579                             | -   | 14,569,914                  | 14,569,914       | -               |
| TOTAL PRIMARY GOVERNMENT                          | \$ 644,523,749   | \$ 51,909,481              | \$ 177,543,833                        | \$ 41,671,261                       | (387,969,088)   | 14,569,914                  | (373,399,174)    | -               |
| COMPONENT UNITS:                                  |                  |                            |                                       |                                     |   |                             |                  |                 |
| Syracuse Industrial Development Agency            | \$ 700,023       | \$ 1,127,709               | \$ 42,748                             | \$ -                                | -   | -                           | -                | 470,434         |
| Syracuse Economic Development Corporation         | 395,377          | 95,806                     | 320,501                               | -                                   | -   | -                           | -                | 20,930          |
| Syracuse Regional Airport Authority               | 47,956,089       | 46,891,894                 | -                                     | 22,562,453                          | -   | -                           | -                | 21,498,258      |
| Greater Syracuse Property Development Corporation | 4,683,463        | 1,472,881                  | 3,277,888                             | -                                   | -   | -                           | -                | 67,306          |
| TOTAL COMPONENT UNITS                             | \$ 53,734,952    | \$ 49,588,290              | \$ 3,641,137                          | \$ 22,562,453                       | -   | -                           | -                | 22,056,928      |
|   |                  |                            |                                       |                                     | 106,118,680   | -                           | 106,118,680      | -               |
|   |                  |                            |                                       |                                     | 108,963,635   | -                           | 108,963,635      | -               |
|   |                  |                            |                                       |                                     | 4,352,798   | -                           | 4,352,798        | -               |
|   |                  |                            |                                       |                                     | 470,515,000   | -                           | 470,515,000      | -               |
|   |                  |                            |                                       |                                     | 4,482,924   | -                           | 4,482,924        | -               |
|   |                  |                            |                                       |                                     | 237,574   | 10,985                      | 248,559          | 126,944         |
|   |                  |                            |                                       |                                     | -   | -                           | -                | 66,069          |
|   |                  |                            |                                       |                                     | 18,234,596  | -                           | 18,234,596       | -               |
|   |                  |                            |                                       |                                     | 2,825,000   | (2,825,000)                 | -                | -               |
|   |                  |                            |                                       |                                     | 715,730,207   | (2,814,015)                 | 712,916,192      | 193,013         |
|   |                  |                            |                                       |                                     | 327,761,119   | 11,755,899                  | 339,517,018      | 22,249,941      |
|   |                  |                            |                                       |                                     | (657,362,797)   | 20,226,142                  | (637,136,655)    | 62,444,172      |
|   |                  |                            |                                       |                                     | \$ (329,601,678)  | \$ 31,982,041               | \$ (297,619,637) | \$ 84,694,113   |

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Balance Sheet - Governmental Funds  
June 30, 2022

|  | General Fund          | Joint Schools<br>Construction<br>Board | Special Revenue                         |   | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|--|---|---|-----------------------------------|--------------------------------|
|  |                       |  | City School<br>District General<br>Fund | City School<br>District Special<br>Aid Fund |                                   |                                |
| <b>ASSETS</b>  |                       |  |   |   |                                   |                                |
| Cash and cash equivalents  | \$ 72,640,038         | \$ -                                   | \$ 127,192,861                          | \$ -  | \$ 2,202,895                      | \$ 202,035,794                 |
| Restricted cash and cash equivalents                                     | 82,836,382            | 19,619,361                             | 3,728,181                               | -   | 39,405,315                        | 145,589,239                    |
| Loans receivable   | -                     | -                                      | -                                       | -   | 15,717,820                        | 15,717,820                     |
| Accounts receivable  | 3,813,379             | -                                      | -                                       | -   | 4,942,804                         | 8,756,183                      |
| Other receivable   | -                     | -                                      | 2,196,305                               | 4,624,796                                   | 8,718                             | 6,829,819                      |
| Taxes receivable, net  | 4,416,978             | -                                      | 3,666,172                               | -   | 26,171                            | 8,109,321                      |
| Due from other funds   | 9,283,675             | -                                      | 17,128,041                              | -   | 14,474,119                        | 40,885,835                     |
| Due from other governments   | 57,588,384            | -                                      | 52,223,512                              | 28,632,070                                  | 26,293,113                        | 164,737,079                    |
| Inventory  | -                     | -                                      | 679,127                                 | -   | 950,423                           | 1,629,550                      |
| Prepays and other assets   | -                     | -                                      | 65,927                                  | -   | 24,876                            | 90,803                         |
| Lease receivable   | 2,043,718             | -                                      | -                                       | -   | -                                 | 2,043,718                      |
| <b>Total assets</b>  | <b>\$ 232,622,554</b> | <b>\$ 19,619,361</b>                   | <b>\$ 206,880,126</b>                   | <b>\$ 33,256,866</b>                        | <b>\$ 104,046,254</b>             | <b>\$ 596,425,161</b>          |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>       |                       |  |   |   |                                   |                                |
| Liabilities:   |                       |  |   |   |                                   |                                |
| Accounts payable and accrued expenses                                    | \$ 13,734,016         | \$ 1,246,927                           | \$ 27,180,432                           | \$ 8,364,000                                | \$ 6,653,604                      | \$ 57,178,979                  |
| Due to other funds   | -                     | 6,528,779                              | -                                       | 23,734,681                                  | 8,833,315                         | 39,096,775                     |
| Due to other governments   | 158                   | -                                      | -                                       | 969,563                                     | 428,181                           | 1,397,902                      |
| Amounts due to retirement systems  | 7,088,411             | -                                      | 24,563,495                              | -   | -                                 | 31,651,906                     |
| Self-insurance claims  | 6,255,487             | -                                      | 1,229,141                               | -   | -                                 | 7,484,628                      |
| Unearned revenue   | 78,297,568            | -                                      | -                                       | -   | 2,373,877                         | 80,671,445                     |
| Loans payable  | -                     | -                                      | -                                       | -   | 15,567,820                        | 15,567,820                     |
| Other liabilities  | 2,784,016             | -                                      | -                                       | -   | 25,693                            | 2,809,709                      |
| <b>Total liabilities</b>   | <b>108,159,656</b>    | <b>7,775,706</b>                       | <b>52,973,068</b>                       | <b>33,068,244</b>                           | <b>33,882,490</b>                 | <b>235,859,164</b>             |
| Deferred inflows of resources:   |                       |  |   |   |                                   |                                |
| Deferred inflows - unavailable revenue                                   | 3,404,366             | -                                      | -                                       | -   | 4,910,338                         | 8,314,704                      |
| Deferred inflows - leases  | 2,043,718             | -                                      | -                                       | -   | -                                 | 2,043,718                      |
| <b>Total deferred inflows of resources</b>                               | <b>5,448,084</b>      | <b>-</b>                               | <b>-</b>                                | <b>-</b>                                    | <b>4,910,338</b>                  | <b>10,358,422</b>              |
| Fund Balance:  |                       |  |   |   |                                   |                                |
| Nonspendable   | -                     | -                                      | 745,054                                 | -   | 970,502                           | 1,715,556                      |
| Restricted   | 337,418               | 11,843,655                             | 3,728,181                               | 188,622                                     | 53,056,876                        | 69,154,752                     |
| Committed  | -                     | -                                      | 46,115,185                              | -   | 11,226,048                        | 57,341,233                     |
| Assigned   | 15,885,692            | -                                      | 103,318,638                             | -   | -                                 | 119,204,330                    |
| Unassigned   | 102,791,704           | -                                      | -                                       | -   | -                                 | 102,791,704                    |
| <b>Total fund balance</b>  | <b>119,014,814</b>    | <b>11,843,655</b>                      | <b>153,907,058</b>                      | <b>188,622</b>                              | <b>65,253,426</b>                 | <b>350,207,575</b>             |
| <b>Total liabilities, deferred inflows of resources and fund balance</b> | <b>\$ 232,622,554</b> | <b>\$ 19,619,361</b>                   | <b>\$ 206,880,126</b>                   | <b>\$ 33,256,866</b>                        | <b>\$ 104,046,254</b>             | <b>\$ 596,425,161</b>          |

The accompanying notes are an integral part of these statements.

## CITY OF SYRACUSE, NEW YORK

### Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

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|   |                         |
|---|-------------------------|
| Total fund balances for governmental funds  | \$ 350,207,575          |
| 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, used in governmental activities are not financial resources and therefore are not reported in the funds   | 841,949,537             |
| Pension obligation activity:  |                         |
| Deferred outflows of resources  | 224,819,783             |
| Net pension liability/asset   | 198,100,491             |
| Deferred inflows of resources   | (375,400,784)           |
| Other postemployment benefit activity:  |                         |
| Total other postemployment benefit liability  | (627,955,239)           |
| Deferred outflows of resources  | 111,226,006             |
| Deferred inflows of resources   | (610,518,727)           |
| District receivables not received within 90 days and therefore not reported in the funds  | 543,079                 |
| Revenue collected after year end and not available to pay for current year expenditures and deferred in funds   | 8,314,704               |
| 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 | (544,202,211)           |
| Deferred charges relating to debt refunding not reported in the funds   | 691,463                 |
| Deferred inflows related to District lottery aid not reported in the funds  | (13,966,667)            |
| Accrued interest not reported in the funds  | (3,028,716)             |
| The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position  | <u>109,618,028</u>      |
| Total net position of governmental activities   | <u>\$ (329,601,678)</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, 2022

|  | Special Revenue       |                      |                       |                           |                      |                       |
|--|-----------------------|----------------------|-----------------------|---------------------------|----------------------|-----------------------|
|  | General Fund          | Joint Schools        | City School           | City School               | Nonmajor             | Total                 |
|  |                       | Construction Board   | District General Fund | District Special Aid Fund | Governmental Funds   | Governmental Funds    |
| <b>REVENUES:</b>   |                       |                      |                       |                           |                      |                       |
| General property taxes and tax items                     | \$ 42,651,369         | \$ -                 | \$ 62,407,853         | \$ -                      | \$ 2,963,755         | \$ 108,022,977        |
| Sales and use taxes                                      | 108,084,537           | -                    | 879,098               | -                         | -                    | 108,963,635           |
| Other local taxes  | 3,178,295             | -                    | -                     | -                         | 1,174,503            | 4,352,798             |
| Departmental revenues                                    | 11,169,380            | -                    | -                     | -                         | -                    | 11,169,380            |
| Intergovernmental charges                                | 250,411               | -                    | -                     | -                         | -                    | 250,411               |
| Licenses and permits                                     | 3,199,795             | -                    | -                     | -                         | -                    | 3,199,795             |
| Fines and forfeitures                                    | 3,093,779             | -                    | -                     | -                         | -                    | 3,093,779             |
| Sale of property and compensation for loss               | 981,465               | -                    | 38,781                | -                         | 3,015                | 1,023,261             |
| Use of money and property                                | 97,610                | 3,947                | 163,857               | -                         | 29,117               | 294,531               |
| Federal and state aid and other grants                   | 103,200,998           | 722,809              | 396,812,314           | 107,791,972               | 71,721,024           | 680,249,117           |
| Pass-through New York State funding from District        | -                     | 33,962,612           | -                     | -                         | -                    | 33,962,612            |
| Surplus food   | -                     | -                    | -                     | -                         | 1,123,869            | 1,123,869             |
| Sales-School Food Service program                        | -                     | -                    | -                     | -                         | 68,202               | 68,202                |
| Other revenues   | 9,557,090             | 27,010               | 6,938,714             | -                         | 1,510,550            | 18,033,364            |
| <b>Total revenues</b>                                    | <b>285,464,729</b>    | <b>34,716,378</b>    | <b>467,240,617</b>    | <b>107,791,972</b>        | <b>78,594,035</b>    | <b>973,807,731</b>    |
| <b>CURRENT EXPENDITURES:</b>                             |                       |                      |                       |                           |                      |                       |
| General government support                               | 35,508,933            | -                    | -                     | -                         | 5,058,224            | 40,567,157            |
| Public safety  | 153,002,864           | -                    | -                     | -                         | 2,506,151            | 155,509,015           |
| Transportation   | 19,177,227            | -                    | -                     | -                         | 2,443,193            | 21,620,420            |
| Economic opportunity and development                     | -                     | -                    | -                     | -                         | 821,279              | 821,279               |
| Home and community services                              | 12,748,079            | -                    | -                     | -                         | 24,454,491           | 37,202,570            |
| Culture and recreation                                   | 10,075,101            | -                    | -                     | -                         | 376,961              | 10,452,062            |
| Education  | -                     | -                    | 379,657,196           | 103,048,815               | 137,650              | 482,843,661           |
| Principal debt payments                                  | -                     | 20,105,000           | 729,718               | -                         | 19,683,115           | 40,517,833            |
| Interest on debt   | 57,044                | 14,020,612           | 199,100               | -                         | 4,943,108            | 19,219,864            |
| Capital outlays  | -                     | 35,746,743           | 497,030               | -                         | 48,357,757           | 84,601,530            |
| Food Service Program                                     | -                     | -                    | -                     | -                         | 14,982,101           | 14,982,101            |
| Pass-through New York State funding to JSCB              | -                     | -                    | 33,962,612            | -                         | -                    | 33,962,612            |
| <b>Total expenditures</b>                                | <b>230,569,248</b>    | <b>69,872,355</b>    | <b>415,045,656</b>    | <b>103,048,815</b>        | <b>123,764,030</b>   | <b>942,300,104</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>54,895,481</b>     | <b>(35,155,977)</b>  | <b>52,194,961</b>     | <b>4,743,157</b>          | <b>(45,169,995)</b>  | <b>31,507,627</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>                   |                       |                      |                       |                           |                      |                       |
| Bond proceeds  | 2,784,110             | -                    | -                     | -                         | 20,667,445           | 23,451,555            |
| Bond proceeds from refunding bonds                       | -                     | -                    | -                     | -                         | 5,540,000            | 5,540,000             |
| Premium on issuance of BANs and RANs                     | -                     | -                    | 34,862                | -                         | -                    | 34,862                |
| Premium on bonds   | 126,325               | -                    | -                     | -                         | 937,754              | 1,064,079             |
| Premium on refunding bonds                               | -                     | -                    | -                     | -                         | 669,731              | 669,731               |
| Payments to escrow agent                                 | -                     | -                    | -                     | -                         | (6,209,731)          | (6,209,731)           |
| Proceeds from leases                                     | -                     | -                    | 497,030               | -                         | -                    | 497,030               |
| Operating transfers in                                   | 2,825,000             | -                    | 7,692,350             | 1,507,972                 | 29,719,770           | 41,745,092            |
| Operating transfers out                                  | (23,754,659)          | (722,810)            | (6,412,693)           | (6,218,994)               | (1,810,936)          | (38,920,092)          |
| <b>Total other financing sources (uses)</b>              | <b>(18,019,224)</b>   | <b>(722,810)</b>     | <b>1,811,549</b>      | <b>(4,711,022)</b>        | <b>49,514,033</b>    | <b>27,872,526</b>     |
| <b>CHANGE IN FUND BALANCE</b>                            | <b>36,876,257</b>     | <b>(35,878,787)</b>  | <b>54,006,510</b>     | <b>32,135</b>             | <b>4,344,038</b>     | <b>59,380,153</b>     |
| <b>FUND BALANCE - beginning of year</b>                  | <b>82,138,557</b>     | <b>47,722,442</b>    | <b>99,900,548</b>     | <b>156,487</b>            | <b>60,909,388</b>    | <b>290,827,422</b>    |
| <b>FUND BALANCE - end of year</b>                        | <b>\$ 119,014,814</b> | <b>\$ 11,843,655</b> | <b>\$ 153,907,058</b> | <b>\$ 188,622</b>         | <b>\$ 65,253,426</b> | <b>\$ 350,207,575</b> |

The accompanying notes are an integral part of these statements.

**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, 2022**

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Net change in fund balances - total governmental funds \$ 59,380,153

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 expense. This is the amount by which capital outlays exceeded depreciation expense and losses on disposals in the current period. 58,375,364

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. 20,409,815

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. (1,361,218)

Pension income (expense) resulting from pension obligation is not recorded in the governmental funds but is recorded in the Statement of Activities. 51,043,833

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. 139,204,236

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. (3,358,089)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 222,771

Amortization of deferred inflows related to District lottery aid. 1,016,667

Net revenue of the Internal Service Fund is reported with Governmental Activities. 2,827,587

Net change in net position of governmental activities \$ 327,761,119

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Net Position - Proprietary Funds  
June 30, 2022

|  | Business-type Activities |                       |                      | Governmental             |
|--|--------------------------|-----------------------|----------------------|--------------------------|
|  |                          |                       |                      | Activities               |
|  | Water                    | Sewer                 | Total                | Internal Service<br>Fund |
| <b>ASSETS</b>                          |                          |                       |                      |                          |
| CURRENT ASSETS:                        |                          |                       |                      |                          |
| Cash and cash equivalents              | \$ 8,379,027             | \$ 3,673,444          | \$ 12,052,471        | \$ -                     |
| Accounts receivable, net               | 4,050,571                | 1,019,337             | 5,069,908            | -                        |
| Due from other governments             | -                        | 14,371                | 14,371               | -                        |
| Due from component unit                | -                        | -                     | -                    | 1,370,143                |
| Total current assets                   | <u>12,429,598</u>        | <u>4,707,152</u>      | <u>17,136,750</u>    | <u>1,370,143</u>         |
| NONCURRENT ASSETS:                     |                          |                       |                      |                          |
| Restricted cash and cash equivalents   | 474,292                  | -                     | 474,292              | -                        |
| Net pension asset - ERS                | 1,204,460                | 493,221               | 1,697,681            | 57,388                   |
| Capital assets, non-depreciable        | 17,030,901               | 414,195               | 17,445,096           | 2,497,904                |
| Capital assets, depreciable, net       | <u>85,713,481</u>        | <u>13,926,982</u>     | <u>99,640,463</u>    | <u>160,286,662</u>       |
| Total noncurrent assets                | <u>104,423,134</u>       | <u>14,834,398</u>     | <u>119,257,532</u>   | <u>162,841,954</u>       |
| Total Assets                           | <u>116,852,732</u>       | <u>19,541,550</u>     | <u>136,394,282</u>   | <u>164,212,097</u>       |
| DEFERRED OUTFLOWS OF RESOURCES         |                          |                       |                      |                          |
| Deferred outflows - debt refunding     | 210,444                  | 61,028                | 271,472              | -                        |
| Deferred outflows - OPEB               | 1,264,726                | 931,268               | 2,195,994            | 1,026,874                |
| Deferred outflows - pensions           | <u>2,248,358</u>         | <u>920,692</u>        | <u>3,169,050</u>     | <u>3,420,878</u>         |
| Total Deferred Outflows of Resources   | <u>3,723,528</u>         | <u>1,912,988</u>      | <u>5,636,516</u>     | <u>4,447,752</u>         |
| LIABILITIES                            |                          |                       |                      |                          |
| CURRENT LIABILITIES:                   |                          |                       |                      |                          |
| Accounts payable and accrued expenses  | 1,740,711                | 471,628               | 2,212,339            | -                        |
| Accrued interest                       | 229,341                  | 25,908                | 255,249              | 7,500                    |
| Due to other funds                     | 30,416                   | 2,196                 | 32,612               | 1,758,422                |
| Current portion of bonds payable       | 4,015,326                | 607,799               | 4,623,125            | 250,000                  |
| Amounts due to retirement systems      | 183,209                  | 67,148                | 250,357              | 1,087,196                |
| Self-insurance claims                  | <u>807,549</u>           | <u>267,490</u>        | <u>1,075,039</u>     | <u>-</u>                 |
| Total current liabilities              | <u>7,006,552</u>         | <u>1,442,169</u>      | <u>8,448,721</u>     | <u>3,103,118</u>         |
| NONCURRENT LIABILITIES:                |                          |                       |                      |                          |
| Bonds payable - net of current portion | 46,413,672               | 1,567,137             | 47,980,809           | -                        |
| Accrued compensated absences           | 305,511                  | 122,935               | 428,446              | -                        |
| Self-insurance claims                  | 543,771                  | 184,226               | 727,997              | -                        |
| Net pension liability - PFRS           | -                        | -                     | -                    | 332,896                  |
| Total other postemployment benefits    | <u>13,876,128</u>        | <u>8,864,888</u>      | <u>22,741,016</u>    | <u>5,374,492</u>         |
| Total noncurrent liabilities           | <u>61,139,082</u>        | <u>10,739,186</u>     | <u>71,878,268</u>    | <u>5,707,388</u>         |
| Total Liabilities                      | <u>68,145,634</u>        | <u>12,181,355</u>     | <u>80,326,989</u>    | <u>8,810,506</u>         |
| DEFERRED INFLOWS OF RESOURCES          |                          |                       |                      |                          |
| Deferred inflows - OPEB                | 14,078,997               | 9,596,909             | 23,675,906           | 12,875,693               |
| Deferred inflows - pensions            | 4,289,381                | 1,756,481             | 6,045,862            | 3,142,120                |
| Deferred inflows - leases              | -                        | -                     | -                    | 34,213,502               |
| Total Deferred Inflows of Resources    | <u>18,368,378</u>        | <u>11,353,390</u>     | <u>29,721,768</u>    | <u>50,231,315</u>        |
| NET POSITION:                          |                          |                       |                      |                          |
| Net investment in capital assets       | 52,315,384               | 12,166,241            | 64,481,625           | 162,534,566              |
| Restricted                             | 474,292                  | -                     | 474,292              | -                        |
| Unrestricted (deficit)                 | <u>(18,727,428)</u>      | <u>(14,246,448)</u>   | <u>(32,973,876)</u>  | <u>(52,916,538)</u>      |
| Total net position                     | <u>\$ 34,062,248</u>     | <u>\$ (2,080,207)</u> | <u>\$ 31,982,041</u> | <u>\$ 109,618,028</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, 2022**

|  | Business-type Activities |                       |                      | Governmental             |
|--|--------------------------|-----------------------|----------------------|--------------------------|
|  | Water                    | Sewer                 | Total                | Internal Service<br>Fund |
| <b>OPERATING REVENUES:</b>               |                          |                       |                      |                          |
| Charges for services                     | \$ 23,258,663            | \$ 5,212,891          | \$ 28,471,554        | \$ -                     |
| Expense reimbursement income             | -                        | -                     | -                    | 4,305,522                |
| Miscellaneous                            | <u>656,376</u>           | <u>-</u>              | <u>656,376</u>       | <u>-</u>                 |
| Total operating revenues                 | <u>23,915,039</u>        | <u>5,212,891</u>      | <u>29,127,930</u>    | <u>4,305,522</u>         |
| <b>OPERATING EXPENSES:</b>               |                          |                       |                      |                          |
| Cost of sales and services               | 8,058,513                | 1,689,164             | 9,747,677            | -                        |
| Administration                           | 383,669                  | -                     | 383,669              | (123,079)                |
| Depreciation                             | <u>3,648,091</u>         | <u>865,964</u>        | <u>4,514,055</u>     | <u>11,657,780</u>        |
| Total operating expenses                 | <u>12,090,273</u>        | <u>2,555,128</u>      | <u>14,645,401</u>    | <u>11,534,701</u>        |
| OPERATING INCOME (LOSS)                  | <u>11,824,766</u>        | <u>2,657,763</u>      | <u>14,482,529</u>    | <u>(7,229,179)</u>       |
| <b>NONOPERATING REVENUES (EXPENSES):</b> |                          |                       |                      |                          |
| Capital grants                           | 951,579                  | -                     | 951,579              | -                        |
| Capital contributions                    | -                        | -                     | -                    | 10,062,014               |
| Lease income                             | -                        | -                     | -                    | 1,098,836                |
| Investment income                        | 10,985                   | -                     | 10,985               | -                        |
| Interest expense                         | <u>(811,131)</u>         | <u>(53,063)</u>       | <u>(864,194)</u>     | <u>(1,104,084)</u>       |
| Total nonoperating revenues (expenses)   | <u>151,433</u>           | <u>(53,063)</u>       | <u>98,370</u>        | <u>10,056,766</u>        |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | 11,976,199               | 2,604,700             | 14,580,899           | 2,827,587                |
| OPERATING TRANSFERS OUT                  | <u>(2,300,000)</u>       | <u>(525,000)</u>      | <u>(2,825,000)</u>   | <u>-</u>                 |
| CHANGE IN NET POSITION                   | 9,676,199                | 2,079,700             | 11,755,899           | 2,827,587                |
| NET POSITION - beginning of year         | <u>24,386,049</u>        | <u>(4,159,907)</u>    | <u>20,226,142</u>    | <u>106,790,441</u>       |
| NET POSITION - end of year               | <u>\$ 34,062,248</u>     | <u>\$ (2,080,207)</u> | <u>\$ 31,982,041</u> | <u>\$ 109,618,028</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, 2022**

|  | Business-type Activities |                     |                      | Governmental          |
|--|--------------------------|---------------------|----------------------|-----------------------|
|  | Water                    | Sewer               | Total                | Internal Service Fund |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                          |                     |                      |                       |
| Receipts from customers  | \$ 23,510,325            | \$ 5,117,812        | \$ 28,628,137        | \$ -                  |
| Receipts from expense reimbursements   | -                        | -                   | -                    | 3,513,711             |
| Payments to vendors  | (6,867,559)              | (1,112,769)         | (7,980,328)          | (936,257)             |
| Payments to employees  | (6,114,318)              | (2,550,171)         | (8,664,489)          | (2,077,693)           |
| Internal activity with other funds - net   | 19,602                   | (1,421)             | 18,181               | 1,180,090             |
| Claims paid  | (2,426,117)              | (1,207,283)         | (3,633,400)          | (1,680,049)           |
| <b>Net cash flow from operating activities</b>   | <b>8,121,933</b>         | <b>246,168</b>      | <b>8,368,101</b>     | <b>(198)</b>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                      |                          |                     |                      |                       |
| Operating subsidies and transfers to other funds   | (2,300,000)              | (525,000)           | (2,825,000)          | -                     |
| <b>Net cash flow from noncapital financing activities</b>                                    | <b>(2,300,000)</b>       | <b>(525,000)</b>    | <b>(2,825,000)</b>   | <b>-</b>              |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                             |                          |                     |                      |                       |
| Purchases of capital assets  | (5,771,360)              | (80,215)            | (5,851,575)          | -                     |
| Proceeds from capital grants   | 951,579                  | -                   | 951,579              | -                     |
| Proceeds from capital debt   | 1,300,000                | -                   | 1,300,000            | -                     |
| Principal paid on capital debt   | (5,064,673)              | (552,212)           | (5,616,885)          | (34,230,000)          |
| Interest paid on capital debt  | 278,932                  | (108,288)           | 170,644              | (1,082,140)           |
| Other receipts   | -                        | -                   | -                    | 35,312,338            |
| <b>Net cash flow from capital and related financing activities</b>                           | <b>(8,305,522)</b>       | <b>(740,715)</b>    | <b>(9,046,237)</b>   | <b>198</b>            |
| <b>NET CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                          |                     |                      |                       |
| Interest and dividends received  | 10,985                   | -                   | 10,985               | -                     |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                  | <b>(2,472,604)</b>       | <b>(1,019,547)</b>  | <b>(3,492,151)</b>   | <b>-</b>              |
| <b>CASH AND CASH EQUIVALENTS - beginning of year</b>   | <b>11,325,923</b>        | <b>4,692,991</b>    | <b>16,018,914</b>    | <b>-</b>              |
| <b>CASH AND CASH EQUIVALENTS - end of year</b>   | <b>\$ 8,853,319</b>      | <b>\$ 3,673,444</b> | <b>\$ 12,526,763</b> | <b>\$ -</b>           |
| <b>Reconciliation of operating income (loss) to net cash flow from operating activities:</b> |                          |                     |                      |                       |
| Operating income (loss)  | \$ 11,824,766            | \$ 2,657,763        | \$ 14,482,529        | \$ (7,229,179)        |
| Adjustments to reconcile operating income (loss) to net cash flow from operating activities: |                          |                     |                      |                       |
| Depreciation expense   | 3,648,091                | 865,964             | 4,514,055            | 11,657,780            |
| (Gain) loss on disposal of capital assets  | (4,984)                  | -                   | (4,984)              | -                     |
| Change in assets and liabilities:  |                          |                     |                      |                       |
| Accounts receivable  | (399,730)                | (95,079)            | (494,809)            | -                     |
| Due to/from other funds  | 19,602                   | (1,421)             | 18,181               | 1,180,090             |
| Due from component unit  | -                        | -                   | -                    | (791,811)             |
| Accounts payable and accrued expenses  | (1,319,859)              | (27,669)            | (1,347,528)          | -                     |
| Amounts due to retirement systems  | -                        | -                   | -                    | 886,649               |
| Net pension asset/liability  | (1,223,112)              | (500,036)           | (1,723,148)          | (970,130)             |
| Other postemployment benefits  | (4,344,509)              | (2,825,601)         | (7,170,110)          | (4,793,208)           |
| Self-insurance claims  | 176,059                  | (186,924)           | (10,865)             | (886,811)             |
| Accrued compensated absences   | (21,240)                 | (24,008)            | (45,248)             | (33,266)              |
| Deferred outflows  | 2,124,483                | 791,841             | 2,916,324            | 687,912               |
| Deferred inflows - OPEB and pension  | (2,357,634)              | (408,662)           | (2,766,296)          | 291,776               |
| <b>Net cash flow from operating activities</b>   | <b>\$ 8,121,933</b>      | <b>\$ 246,168</b>   | <b>\$ 8,368,101</b>  | <b>\$ (198)</b>       |

**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 \$10,062,014.

Continued...

**CITY OF SYRACUSE, NEW YORK**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2022**

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**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  | \$ 10,851,631        | \$ 474,292        | \$ 11,325,923        |
| Sewer Fund  | 4,692,991            | -                 | 4,692,991            |
| Internal Service Fund                                 | <u>-</u>             | <u>-</u>          | <u>-</u>             |
| <br>  |                      |                   |                      |
| Total - Cash and cash equivalents - beginning of year | <u>\$ 15,544,622</u> | <u>\$ 474,292</u> | <u>\$ 16,018,914</u> |
| <br>  |                      |                   |                      |
| End of Year:  |                      |                   |                      |
| Water Fund  | \$ 8,379,027         | \$ 474,292        | \$ 8,853,319         |
| Sewer Fund  | 3,673,444            | -                 | 3,673,444            |
| Internal Service Fund                                 | <u>-</u>             | <u>-</u>          | <u>-</u>             |
| <br>  |                      |                   |                      |
| Total - Cash and cash equivalents - end of year       | <u>\$ 12,052,471</u> | <u>\$ 474,292</u> | <u>\$ 12,526,763</u> |

Concluded.

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Statement of Net Position - Fiduciary Funds**  
**June 30, 2022**

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|                                      | City Custodial                       | City School                                  | Total Fiduciary                      |
|--------------------------------------|--------------------------------------|--|--------------------------------------|
|                                      | Fund                                 | District Private                             | Funds                                |
|                                      |                                      | Purpose Trusts                               |                                      |
|                                      | <u>                    </u>          | <u>                    </u>                  | <u>                    </u>          |
| <b>ASSETS</b>                        |                                      |  |                                      |
| Restricted cash and cash equivalents | \$ 2,086,686                         | \$ 26,857                                    | \$ 2,113,543                         |
| Due from other funds                 | <u>                    -</u>         | <u>                    1,974</u>             | <u>                    1,974</u>     |
| Total assets                         | <u>                    2,086,686</u> | <u>                    28,831</u>            | <u>                    2,115,517</u> |
| <b>LIABILITIES</b>                   |                                      |  |                                      |
| Due to other governments             | <u>                    2,086,686</u> | <u>                                    -</u> | <u>                    2,086,686</u> |
| Total liabilities                    | <u>                    2,086,686</u> | <u>                                    -</u> | <u>                    2,086,686</u> |
| <b>NET POSITION</b>                  |                                      |  |                                      |
| Held in trust for scholarships       | <u>                    -</u>         | <u>                    28,831</u>            | <u>                    28,831</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, 2022**

|  | City Custodial<br>Fund | City School<br>District Private<br>Purpose Trusts | Total Fiduciary<br>Funds |
|--|------------------------|---|--------------------------|
| <b>ADDITIONS:</b>                      |                        |   |                          |
| Taxes collected for other governments  | \$ 76,172,902          | \$ -  | \$ 76,172,902            |
| Contributions                          | <u>-</u>               | <u>16,990</u>                                     | <u>16,990</u>            |
| <br>Total additions                    | <br><u>76,172,902</u>  | <br><u>16,990</u>                                 | <br><u>76,189,892</u>    |
| <b>DEDUCTIONS:</b>                     |                        |   |                          |
| Taxes distributed to other governments | 76,172,902             | -   | 76,172,902               |
| Scholarships and awards                | -                      | 16,030  | 16,030                   |
| Loss on investment                     | <u>-</u>               | <u>302</u>  | <u>302</u>               |
| <br>Total deductions                   | <br><u>76,172,902</u>  | <br><u>16,332</u>                                 | <br><u>76,189,234</u>    |
| <br>CHANGE IN NET POSITION             | <br>-                  | <br>658   | <br>658                  |
| <br>NET POSITION - beginning of year   | <br><u>-</u>           | <br><u>28,173</u>                                 | <br><u>28,173</u>        |
| <br>NET POSITION - end of year         | <br><u>\$ -</u>        | <br><u>\$ 28,831</u>                              | <br><u>\$ 28,831</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, 2022

|   | Syracuse<br>Industrial<br>Development<br>Agency | Syracuse<br>Economic<br>Development<br>Corporation | Syracuse<br>Regional Airport<br>Authority | Greater<br>Syracuse<br>Property<br>Development<br>Corporation | Total                |
|---|---|--|---|---|----------------------|
| <b>ASSETS:</b>                                    |   |  |   |   |                      |
| Cash and cash equivalents                         | \$ 4,006,875                                    | \$ 1,369,251                                       | \$ 36,481,606                             | \$ 2,779,882  | \$ 44,637,614        |
| Restricted cash and cash equivalents              | -   | 582,459  | 27,683,766                                | 1,843,069   | 30,109,294           |
| Accounts receivable                               | -   | -  | 4,463,871                                 | 1,000   | 4,464,871            |
| Loans receivable - current portion                | -   | 2,075,330  | -   | -   | 2,075,330            |
| Notes receivable - current portion                | -   | -  | -   | 84,751  | 84,751               |
| Lease receivable - current portion                | -   | -  | 1,053,107                                 | -   | 1,053,107            |
| Grant and government subsidiary receivable        | -   | -  | -   | 326,411   | 326,411              |
| Other receivables                                 | 25,000  | 360,620  | -   | -   | 385,620              |
| Inventory   | -   | -  | -   | 526,124   | 526,124              |
| Prepaid expenses and other assets                 | 528,223   | -  | 649,965                                   | 69,151  | 1,247,339            |
| Loans receivable - long-term portion              | -   | 4,071,000  | -   | -   | 4,071,000            |
| Notes receivable - long-term portion              | -   | 4,290,185  | -   | -   | 4,290,185            |
| Lease receivable - long-term portion              | -   | -  | 8,851,858                                 | -   | 8,851,858            |
| Net pension asset                                 | -   | -  | 1,729,766                                 | -   | 1,729,766            |
| Capital assets, non-depreciable                   | 50,000  | -  | 21,286,512                                | -   | 21,336,512           |
| Capital assets, depreciable, net                  | -   | -  | 41,333,681                                | 1,242   | 41,334,923           |
| <b>Total assets</b>                               | <b>4,610,098</b>                                | <b>12,748,845</b>                                  | <b>143,534,132</b>                        | <b>5,631,630</b>  | <b>166,524,705</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |   |  |   |   |                      |
| Deferred outflows - OPEB                          | -   | -  | 3,621,858                                 | -   | 3,621,858            |
| Deferred outflows - pensions                      | -   | -  | 4,150,057                                 | -   | 4,150,057            |
| <b>Total deferred outflows of resources</b>       | <b>-</b>  | <b>-</b>   | <b>7,771,915</b>                          | <b>-</b>  | <b>7,771,915</b>     |
| <b>LIABILITIES:</b>                               |   |  |   |   |                      |
| Accounts payable and accrued expenses             | 11,396  | 197,075  | 3,711,728                                 | 649,355   | 4,569,554            |
| Unearned revenue                                  | -   | 1,879,066  | -   | 1,843,069   | 3,722,135            |
| Due to primary government                         | -   | -  | 1,370,143                                 | -   | 1,370,143            |
| Grant payable                                     | 735,368   | -  | -   | -   | 735,368              |
| Long-term liabilities - due within one year       | -   | -  | 461,309                                   | -   | 461,309              |
| Long-term liabilities - due in more than one year | -   | -  | 54,036,229                                | -   | 54,036,229           |
| <b>Total liabilities</b>                          | <b>746,764</b>                                  | <b>2,076,141</b>                                   | <b>59,579,409</b>                         | <b>2,492,424</b>  | <b>64,894,738</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |   |  |   |   |                      |
| Deferred inflows - OPEB                           | -   | -  | 8,770,763                                 | -   | 8,770,763            |
| Deferred inflows - pensions                       | -   | -  | 6,032,041                                 | -   | 6,032,041            |
| Deferred inflows - leases                         | -   | -  | 9,904,965                                 | -   | 9,904,965            |
| <b>Total deferred inflows of resources</b>        | <b>-</b>  | <b>-</b>   | <b>24,707,769</b>                         | <b>-</b>  | <b>24,707,769</b>    |
| <b>NET POSITION:</b>                              |   |  |   |   |                      |
| Net investment in capital assets                  | 50,000  | -  | 15,043,898                                | 1,242   | 15,095,140           |
| Restricted  | -   | 831,751  | 27,683,766                                | -   | 28,515,517           |
| Unrestricted                                      | 3,813,334                                       | 9,840,953  | 24,291,205                                | 3,137,964   | 41,083,456           |
| <b>Total net position</b>                         | <b>\$ 3,863,334</b>                             | <b>\$ 10,672,704</b>                               | <b>\$ 67,018,869</b>                      | <b>\$ 3,139,206</b>   | <b>\$ 84,694,113</b> |

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, 2022**

|   | Syracuse<br>Industrial<br>Development<br>Agency | Syracuse<br>Economic<br>Development<br>Corporation | Syracuse<br>Regional<br>Airport<br>Authority | Greater<br>Syracuse<br>Property<br>Development<br>Corporation | Total                |
|---|---|--|--|---|----------------------|
| <b>PROGRAM REVENUE:</b>                                       |   |  |  |   |                      |
| Financing fees  | \$ 1,127,709                                    | \$ -   | \$ -   | \$ -  | \$ 1,127,709         |
| Grant, contributions and government<br>subsidy revenue        | 42,748  | 320,501  | 22,562,453                                   | 3,277,888   | 26,203,590           |
| Passenger facility charges                                    | -   | -  | 4,793,253                                    | -   | 4,793,253            |
| Consumer facility charges                                     | -   | -  | 3,283,765                                    | -   | 3,283,765            |
| Landing fees  | -   | -  | 8,535,147                                    | -   | 8,535,147            |
| Parking rents   | -   | -  | 14,260,961                                   | -   | 14,260,961           |
| Concession and other  | -   | -  | 9,790,340                                    | -   | 9,790,340            |
| Terminal rents  | -   | -  | 6,120,641                                    | -   | 6,120,641            |
| Rent revenue  | -   | -  | -  | 24,901  | 24,901               |
| Sale of property  | -   | -  | -  | 1,330,596   | 1,330,596            |
| Mortgage interest income                                      | -   | 95,806   | -  | -   | 95,806               |
| Miscellaneous income  | -   | -  | 107,787                                      | 117,384   | 225,171              |
| <b>Total program revenue</b>                                  | <b>1,170,457</b>                                | <b>416,307</b>                                     | <b>69,454,347</b>                            | <b>4,750,769</b>  | <b>75,791,880</b>    |
| <b>EXPENSES:</b>  |   |  |  |   |                      |
| Airport expenses  | -   | -  | 43,076,547                                   | -   | 43,076,547           |
| Greater Syracuse Property Development<br>Corporation expenses | -   | -  | -  | 4,682,177   | 4,682,177            |
| Public improvements   | 8,278   | -  | -  | -   | 8,278                |
| Development projects  | 4,118   | 388,424  | -  | -   | 392,542              |
| Other costs   | 686,656   | 6,953  | -  | -   | 693,609              |
| Interest  | 971   | -  | 2,344,233                                    | -   | 2,345,204            |
| Depreciation  | -   | -  | 2,535,309                                    | 1,286   | 2,536,595            |
| <b>Total expenses</b>   | <b>700,023</b>                                  | <b>395,377</b>                                     | <b>47,956,089</b>                            | <b>4,683,463</b>  | <b>53,734,952</b>    |
| <b>NET PROGRAM REVENUE (EXPENSE)</b>                          | <b>470,434</b>                                  | <b>20,930</b>                                      | <b>21,498,258</b>                            | <b>67,306</b>   | <b>22,056,928</b>    |
| <b>GENERAL REVENUE:</b>                                       |   |  |  |   |                      |
| Investment earnings   | 338   | 104,530  | 10,961                                       | 11,115  | 126,944              |
| <b>Total general revenue</b>                                  | <b>338</b>                                      | <b>104,530</b>                                     | <b>10,961</b>                                | <b>11,115</b>   | <b>126,944</b>       |
| <b>CONTRIBUTIONS</b>  | <b>-</b>  | <b>-</b>   | <b>-</b>                                     | <b>66,069</b>   | <b>66,069</b>        |
| <b>CHANGES IN NET POSITION</b>                                | <b>470,772</b>                                  | <b>125,460</b>                                     | <b>21,509,219</b>                            | <b>144,490</b>  | <b>22,249,941</b>    |
| <b>NET POSITION - beginning of year</b>                       | <b>3,392,562</b>                                | <b>10,547,244</b>                                  | <b>45,509,650</b>                            | <b>2,994,716</b>  | <b>62,444,172</b>    |
| <b>NET POSITION - end of year</b>                             | <b>\$ 3,863,334</b>                             | <b>\$ 10,672,704</b>                               | <b>\$ 67,018,869</b>                         | <b>\$ 3,139,206</b>   | <b>\$ 84,694,113</b> |

The accompanying notes are an integral part of these statements.

# CITY OF SYRACUSE, NEW YORK

## Notes to Basic Financial Statements June 30, 2022

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### 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 146,000 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<br>Syracuse Urban Renewal Agency<br>Joint Schools Construction Board  |
| Discretely Presented Component Units: | Syracuse Industrial Development Agency<br>Syracuse Economic Development Corporation<br>Syracuse Regional Airport Authority<br>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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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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 a special revenue fund in the fund financial statements. The District's general fund and special aid fund are combined 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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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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.

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. Pursuant to a service agreement, the Authority reimburses the City for certain services that have been rendered by employees of the City under the City's Department of Aviation and certain expenses incurred in the administration and operation of the Airport. 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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2022

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#### **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. 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 considered major if it is the primary operating fund of the City or meets the following criteria:

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

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2022

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

#### *Governmental Fund Types*

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- 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.
- 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*

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

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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- 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 support services provided to the Syracuse Regional Airport Authority to operate the Syracuse Hancock International Airport.

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

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- 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 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.

#### *Major and Nonmajor Funds*

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The funds are further classified as major or nonmajor as follows:

- Major Funds

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  - General Fund - see above for description
  - Joint School Construction Board (JSCB) - see above for 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 above for description
    - Sewer Fund - see above for description



## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2022

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- Nonmajor Funds
  - Capital Projects Funds - City and City School District
  - 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.

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2022

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#### **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, reconciliation is provided.

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

#### **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, the Aviation Fund 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.

## **CITY OF SYRACUSE, NEW YORK**

### **Notes to Basic Financial Statements June 30, 2022**

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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 9th.
- 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 1st.
- 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**

Cash equivalents consist primarily of demand deposits, cash held by fiscal agents, money market accounts and certificate of deposits with original maturities of three months or less.

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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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.

Allowances for uncollectible accounts, which are net with taxes receivable, were \$30,236,855 as of June 30, 2022.

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, 2022 were \$3,042,597 in the Water Fund and \$789,520 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.

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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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 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 as in the government-wide financial statements.

#### **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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for the early retirement of debt. 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 8 and other postemployment benefits as described in Note 10.

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 position 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 8 and other postemployment benefits as described in Note 10.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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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 New York State Department of Education as part of a special legislation to assist with budget restraints. 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 position 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 sidewalk and sewer 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.

#### **Compensated Absences**

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. Vacation is granted in varying amounts based primarily on length of service and service position. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. The liability for these compensated absences is broken out and recorded as current and long-term debt in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis. The proprietary funds report the liability as it is incurred.

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements June 30, 2022

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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 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.

##### *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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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- 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. Nonmajor Funds have commitments of \$10,870,305 and \$355,743 for Capital Projects and Special Assessment Districts, respectively.

The City School District General Fund has committed fund balance of \$46,115,185 as follows: \$6,115,185 for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, \$10 million for the STEAM school project, \$10 million for capital projects and \$20 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 \$7,074,933. Assigned fund balance in the City's General Fund consists of amounts appropriated in the next year's budget of \$15,630,847 and encumbrances of \$254,845. 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.

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 8 for further information.



## **CITY OF SYRACUSE, NEW YORK**

### **Notes to Basic Financial Statements**

**June 30, 2022**

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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 10 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.

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 \$745,157, and payments received related to the agreements amounted to \$45,283. Property taxes abated by agreements with the Syracuse Industrial Development Agency amounted to \$19,971,493, and payments received related to the agreements amounted to \$1,389,190.

# CITY OF SYRACUSE, NEW YORK

## Notes to Basic Financial Statements

June 30, 2022

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### 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, if material, 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. The principal operating revenue of the Internal Service Fund is reimbursements from the Syracuse Regional Airport Authority. Operating expenses for the proprietary funds include the cost of sales and service, charges to the Airport Authority, administrative expenses, uncollectible accounts and depreciation on capital assets.

### 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

## **CITY OF SYRACUSE, NEW YORK**

### **Notes to Basic Financial Statements**

**June 30, 2022**

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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**

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. At June 30, 2022, 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. The allowance and deferred inflow amounts at June 30, 2022 were \$30,499,547 and \$3,412,303, respectively.

#### **Current Vulnerability Due to Certain Concentrations**

Most of the City's employees are covered by collective bargaining agreements. Approximately 15% have expired. The remaining 85% of these agreements extend to December 31, 2022 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 OF SYRACUSE, NEW YORK**

### **Notes to Basic Financial Statements June 30, 2022**

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#### **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 2022 City Abstract, the total cost of these services for 2022 is \$25,722,105 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 2021-2022 budget year, the City is using approximately \$106,000,000 or 81% of their tax limit to balance the budget. If the abstract charges were included in the City's budget, the City would exhaust approximately \$132,000,000 or 100% 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. Estimates and assumptions are made in several areas, including the computation of compensated absences, potential contingent liabilities, self-insurance accruals, encumbrances and useful lives of long-lived assets.

### **3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, and investments, if any, of all funds, including restricted amounts (with the exception of the Aviation Fund, Joint Schools Construction Board, Neighborhood and Business Development Fund, Syracuse Urban Renewal Agency and certain miscellaneous trust funds) are pooled into one common account 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.

New York State governs the City's investment policies. The City is permitted to invest in special time deposits and certificate 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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

**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, 2022, \$349,201,135 of the City's bank balances was exposed to custodial credit risk and was covered by collateral held in pledging banks' trust departments.

**4. CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2022:

| Governmental activities - City                        | Balance at July 1,<br>2021 | Additions                | Disposals/<br>Transfers | Balance at June<br>30, 2022 |
|---|----------------------------|--------------------------|-------------------------|-----------------------------|
| Capital assets, not being depreciated:                |                            |                          |                         |                             |
| Land  | \$ 17,287,380              | \$ -                     | \$ -                    | \$ 17,287,380               |
| Construction in progress                              | <u>92,128,996</u>          | <u>45,392,405</u>        | <u>7,500,446</u>        | <u>130,020,955</u>          |
| Subtotal  | <u>109,416,376</u>         | <u>45,392,405</u>        | <u>7,500,446</u>        | <u>147,308,335</u>          |
| Capital assets, being depreciated:                    |                            |                          |                         |                             |
| Buildings   | 344,494,039                | 437,043                  | -                       | 344,931,082                 |
| Machinery and equipment                               | 69,590,402                 | 5,327,937                | 1,376,683               | 73,541,656                  |
| Improvements/ infrastructure                          | <u>659,964,449</u>         | <u>11,797,480</u>        | <u>-</u>                | <u>671,761,929</u>          |
| Subtotal  | <u>1,074,048,890</u>       | <u>17,562,460</u>        | <u>1,376,683</u>        | <u>1,090,234,667</u>        |
| <br>Total capital assets                              | <br><u>1,183,465,266</u>   | <br><u>62,954,865</u>    | <br><u>8,877,129</u>    | <br><u>1,237,543,002</u>    |
| Accumulated depreciation:                             |                            |                          |                         |                             |
| Buildings   | 214,424,364                | 7,070,375                | -                       | 221,494,739                 |
| Machinery and equipment                               | 53,626,288                 | 4,884,557                | 1,376,683               | 57,134,162                  |
| Improvements/ infrastructure                          | <u>464,449,966</u>         | <u>17,693,708</u>        | <u>-</u>                | <u>482,143,674</u>          |
| Total   | <u>732,500,618</u>         | <u>29,648,640</u>        | <u>1,376,683</u>        | <u>760,772,575</u>          |
| <br>Net capital assets - City governmental activities | <br><u>\$ 450,964,648</u>  | <br><u>\$ 33,306,225</u> | <br><u>\$ 7,500,446</u> | <br><u>\$ 476,770,427</u>   |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

| Governmental activities - District                    | Balance at July 1,<br>2021 | Additions             | Disposals/<br>Transfers | Balance at June<br>30, 2022 |
|---|----------------------------|-----------------------|-------------------------|-----------------------------|
|   | (restated)                 |                       |                         |                             |
| Capital assets, not being depreciated:                |                            |                       |                         |                             |
| Land  | \$ 1,480,325               | \$ -                  | \$ -                    | \$ 1,480,325                |
| Construction in progress                              | <u>238,286,002</u>         | <u>38,085,731</u>     | <u>44,851,026</u>       | <u>231,520,707</u>          |
| Total capital assets, not being depreciated           | <u>239,766,327</u>         | <u>38,085,731</u>     | <u>44,851,026</u>       | <u>233,001,032</u>          |
| Capital assets, being depreciated:                    |                            |                       |                         |                             |
| Buildings   | 484,778,846                | 46,922,490            | 4,501,986               | 527,199,350                 |
| Machinery and equipment                               | 27,916,691                 | 3,888,538             | 2,688,240               | 29,116,989                  |
| Improvements/ infrastructure                          | <u>6,578,215</u>           | <u>1,213,110</u>      | <u>-</u>                | <u>7,791,325</u>            |
| Total capital assets, being depreciated               | <u>519,273,752</u>         | <u>52,024,138</u>     | <u>7,190,226</u>        | <u>564,107,664</u>          |
| Accumulated depreciation:                             |                            |                       |                         |                             |
| Buildings   | 237,159,973                | 8,734,305             | 1,441,437               | 244,452,841                 |
| Machinery and equipment                               | 20,684,046                 | 2,022,803             | 2,594,694               | 20,112,155                  |
| Improvements/ infrastructure                          | <u>4,206,203</u>           | <u>139,026</u>        | <u>-</u>                | <u>4,345,229</u>            |
| Total accumulated depreciation                        | <u>262,050,222</u>         | <u>10,896,134</u>     | <u>4,036,131</u>        | <u>268,910,225</u>          |
| Right-to-use leased assets, being amortized:          |                            |                       |                         |                             |
| Buildings   | 600,504                    | -                     | -                       | 600,504                     |
| Equipment   | <u>768,634</u>             | <u>497,030</u>        | <u>60,984</u>           | <u>1,204,680</u>            |
| Total right-to-use leased assets, being amortized     | <u>1,369,138</u>           | <u>497,030</u>        | <u>60,984</u>           | <u>1,805,184</u>            |
| Accumulated amortization:                             |                            |                       |                         |                             |
| Buildings   | -                          | 265,964               | -                       | 265,964                     |
| Equipment   | <u>-</u>                   | <u>465,861</u>        | <u>60,984</u>           | <u>404,877</u>              |
| Total accumulated amortization                        | <u>-</u>                   | <u>731,825</u>        | <u>60,984</u>           | <u>670,841</u>              |
| Net capital assets - District governmental activities | <u>\$ 498,358,995</u>      | <u>\$ 78,978,940</u>  | <u>\$ 48,005,121</u>    | <u>\$ 529,332,814</u>       |
| Net capital assets - Total governmental activities    | <u>\$ 949,323,643</u>      | <u>\$ 112,285,165</u> | <u>\$ 55,505,567</u>    | <u>\$ 1,006,103,241</u>     |

Depreciation/Amortization was charged to governmental activities as follows:

|                             |                      |
|-----------------------------|----------------------|
| General government support  | \$ 3,180,288         |
| Public Safety               | 3,333,770            |
| Transportation              | 9,840,558            |
| Culture and recreation      | 1,428,028            |
| Home and community services | 11,865,996           |
| Education                   | <u>11,627,959</u>    |
|                             | <u>\$ 41,276,599</u> |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

| Business-type activities                      | Balance at July 1,<br>2021 | Additions           | Disposals/<br>Transfers | Balance at June<br>30, 2022 |
|---|----------------------------|---------------------|-------------------------|-----------------------------|
| Capital assets, not being depreciated:        |                            |                     |                         |                             |
| Land  | \$ 4,485,400               | \$ -                | \$ -                    | \$ 4,485,400                |
| Construction in progress                      | 10,629,774                 | 5,856,559           | 3,526,637               | 12,959,696                  |
| Subtotal                                      | <u>15,115,174</u>          | <u>5,856,559</u>    | <u>3,526,637</u>        | <u>17,445,096</u>           |
| Capital assets, being depreciated:            |                            |                     |                         |                             |
| Buildings                                     | 4,080,100                  | -                   | -                       | 4,080,100                   |
| Machinery and equipment                       | 11,157,996                 | 44,612              | -                       | 11,202,608                  |
| Improvements/ infrastructure                  | 137,721,752                | 3,482,025           | -                       | 141,203,777                 |
| Subtotal                                      | <u>152,959,848</u>         | <u>3,526,637</u>    | <u>-</u>                | <u>156,486,485</u>          |
| Total capital assets                          | <u>168,075,022</u>         | <u>9,383,196</u>    | <u>3,526,637</u>        | <u>173,931,581</u>          |
| Accumulated depreciation:                     |                            |                     |                         |                             |
| Buildings                                     | 3,486,314                  | 44,173              | -                       | 3,530,487                   |
| Machinery and equipment                       | 8,291,617                  | 916,796             | -                       | 9,208,413                   |
| Improvements/ infrastructure                  | 40,554,036                 | 3,553,086           | -                       | 44,107,122                  |
| Total   | <u>52,331,967</u>          | <u>4,514,055</u>    | <u>-</u>                | <u>56,846,022</u>           |
| Net capital assets - business-type activities | <u>\$ 115,743,055</u>      | <u>\$ 4,869,141</u> | <u>\$ 3,526,637</u>     | <u>\$ 117,085,559</u>       |

Depreciation was charged to business-type activities as follows:

|       |                     |
|-------|---------------------|
| Water | \$ 3,648,091        |
| Sewer | <u>865,964</u>      |
|       | <u>\$ 4,514,055</u> |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

**5. CAPITAL INDEBTEDNESS**

**Changes in Long-Term Liabilities**

Long-term liability activity for governmental activities for the year ended June 30, 2022:

| Governmental activities                         | Balance at July 1,<br>2021<br>(restated) | Additions             | Reductions            | Balance at June 30,<br>2022 | Amount due<br>within one year |
|---|--|-----------------------|-----------------------|-----------------------------|-------------------------------|
| Bonds payable - City:                           |  |                       |                       |                             |                               |
| General obligation bonds payable                | \$ 166,141,866                           | \$ 28,899,555         | \$ 55,783,118         | \$ 139,258,303              | \$ 16,368,481                 |
| Premium on bonds payable                        | 8,918,406                                | 1,733,810             | 847,479               | 9,804,737                   | 961,185                       |
| Discount on bonds payable                       | (297,605)                                | -                     | (23,884)              | (273,721)                   | (19,201)                      |
| Total bonds payable - City                      | <u>174,762,667</u>                       | <u>30,633,365</u>     | <u>56,606,713</u>     | <u>148,789,319</u>          | <u>17,310,465</u>             |
| Bonds payable - District:                       |  |                       |                       |                             |                               |
| General obligation bonds payable                | 315,142,000                              | 92,000                | 24,289,000            | 290,945,000                 | 24,700,000                    |
| Premium on bonds payable                        | 45,402,871                               | -                     | 4,124,804             | 41,278,067                  | 4,124,804                     |
| Total bonds payable - District                  | <u>360,544,871</u>                       | <u>92,000</u>         | <u>28,413,804</u>     | <u>332,223,067</u>          | <u>28,824,804</u>             |
| Total bonds payable                             | <u>535,307,538</u>                       | <u>30,725,365</u>     | <u>85,020,517</u>     | <u>481,012,386</u>          | <u>46,135,269</u>             |
| Other liabilities:                              |  |                       |                       |                             |                               |
| Due to NYSERS - Chapter 57 & 260                | 275,143                                  | -                     | 275,143               | -                           | -                             |
| Net pension liability                           | 65,972,804                               | -                     | 55,306,587            | 10,666,217                  | -                             |
| Accrued compensated absences - City             | 8,654,621                                | -                     | 351,903               | 8,302,718                   | -                             |
| Accrued compensated absences - District         | 6,482,877                                | 9,862,577             | 9,615,938             | 6,729,516                   | -                             |
| Self-insurance claims - City                    | 9,675,978                                | 40,584,165            | 41,008,060            | 9,252,083                   | 6,255,487                     |
| Self-insurance claims - District                | 34,820,450                               | 57,574,695            | 51,492,321            | 40,902,824                  | 5,387,474                     |
| Total other postemployment                      | 793,213,423                              | -                     | 159,883,692           | 633,329,731                 | -                             |
| Lease Liability - District                      | 1,369,138                                | 497,030               | 729,718               | 1,136,450                   | 559,568                       |
| Judgments and claims                            | 8,820,000                                | -                     | 2,850,000             | 5,970,000                   | -                             |
| Total other liabilities                         | <u>929,284,434</u>                       | <u>108,518,467</u>    | <u>321,513,362</u>    | <u>716,289,539</u>          | <u>12,202,529</u>             |
| Governmental Activities - Long-Term Liabilities | <u>\$ 1,464,591,972</u>                  | <u>\$ 139,243,832</u> | <u>\$ 406,533,879</u> | <u>\$ 1,197,301,925</u>     | <u>\$ 58,337,798</u>          |



**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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.

Long-term liability activity for business-type activities for the year ended June 30, 2022:

| Business-type activities                       | Balance at July 1,<br>2021 | Additions           | Reductions           | Balance at June 30,<br>2022 | Amount due<br>within one year |
|--|----------------------------|---------------------|----------------------|-----------------------------|-------------------------------|
| Bonds payable:                                 |                            |                     |                      |                             |                               |
| General obligation bonds payable               | \$ 29,487,122              | \$ 1,300,000        | \$ 4,466,885         | \$ 26,320,237               | \$ 3,115,504                  |
| EFC bond - direct borrowing                    | 24,775,000                 | -                   | 1,150,000            | 23,625,000                  | 1,170,000                     |
| Premium on bonds payable                       | <u>1,573,924</u>           | <u>1,418,462</u>    | <u>333,689</u>       | <u>2,658,697</u>            | <u>337,621</u>                |
| Total bonds payable                            | <u>55,836,046</u>          | <u>2,718,462</u>    | <u>5,950,574</u>     | <u>52,603,934</u>           | <u>4,623,125</u>              |
| Other liabilities:                             |                            |                     |                      |                             |                               |
| Net pension liability                          | 25,467                     | -                   | 25,467               | -                           | -                             |
| Accrued compensated absences                   | 473,694                    | -                   | 45,248               | 428,446                     | -                             |
| Self-insurance claims                          | 1,813,901                  | -                   | 10,865               | 1,803,036                   | 1,075,039                     |
| Total other postemployment                     | <u>29,911,126</u>          | <u>-</u>            | <u>7,170,110</u>     | <u>22,741,016</u>           | <u>-</u>                      |
| Total other liabilities                        | <u>32,224,188</u>          | <u>-</u>            | <u>7,251,690</u>     | <u>24,972,498</u>           | <u>1,075,039</u>              |
| Business-type activities long-term liabilities | <u>\$ 88,060,234</u>       | <u>\$ 2,718,462</u> | <u>\$ 13,202,264</u> | <u>\$ 77,576,432</u>        | <u>\$ 5,698,164</u>           |

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2022

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#### 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, 2022, is summarized as follows:

Governmental Activities - City:

| <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Outstanding</u>    |
|----------------------|----------------------|----------------------|-----------------------|
| 2013                 | 6/1/2023             | 3.000 - 4.000        | 250,000               |
| 2014                 | 2/1/2034             | 2.500 - 5.000        | 4,716,000             |
| 2015                 | 3/1/2027             | 4.000 - 5.000        | 6,312,830             |
| 2015                 | 2/1/2030             | 2.500 - 5.000        | 3,593,000             |
| 2016                 | 2/1/2031             | 2.000 - 2.375        | 4,546,000             |
| 2017                 | 5/1/2032             | 3.000 - 5.000        | 7,995,000             |
| 2017                 | 10/1/2022            | 2.000 - 2.500        | 475,000               |
| 2017                 | 8/1/2029             | 3.000 - 5.000        | 2,072,950             |
| 2018                 | 5/1/2033             | 4.000                | 7,435,000             |
| 2018                 | 5/1/2023             | 3.250                | 550,000               |
| 2019                 | 5/15/2034            | 4.000                | 11,549,000            |
| 2020                 | 5/15/2035            | 4.000                | 13,025,000            |
| 2020                 | 5/15/2031            | 5.000                | 4,935,000             |
| 2021                 | 5/15/2041            | 2.000                | 43,891,968            |
| 2021                 | 6/1/2033             | 4.000                | 4,460,000             |
| 2022                 | 5/15/2042            | 4.000 - 4.125        | 23,451,555            |
|                      |                      |                      | <u>\$ 139,258,303</u> |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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Governmental Activities - District:

| <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Outstanding</u>    |
|----------------------|----------------------|----------------------|-----------------------|
| 2020                 | 2023                 | 5.000                | 50,000                |
| 2017                 | 2024                 | 3.000 - 5.000        | 2,100,000             |
| 2014                 | 2025                 | 2.000 - 5.000        | 2,440,000             |
| 2015                 | 2027                 | 4.000 - 5.000        | 3,290,000             |
| 2011                 | 2028                 | 5.428                | 15,000,000            |
| 2021                 | 2028                 | 5.000                | 17,990,000            |
| 2017                 | 2030                 | 3.000 - 5.000        | 18,495,000            |
| 2017                 | 2030                 | 3.000 - 5.000        | 3,850,000             |
| 2017                 | 2032                 | 3.000 - 5.000        | 2,455,000             |
| 2018                 | 2034                 | 3.250 - 5.000        | 57,510,000            |
| 2018                 | 2035                 | 3.000 - 5.000        | 33,770,000            |
| 2019                 | 2035                 | 4.000 - 5.000        | 57,250,000            |
| 2020                 | 2037                 | 4.000 - 5.000        | <u>76,745,000</u>     |
|                      |                      |                      | <u>\$ 290,945,000</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        | \$ 1,484,000         |
| 2015                 | 3/1/2027             | 4.000 - 5.000        | 4,282,187            |
| 2015                 | 2/1/2030             | 2.500 - 5.000        | 607,000              |
| 2016                 | 2/1/2031             | 2.000 - 2.375        | 1,034,000            |
| 2017                 | 8/1/2029             | 3.000 - 5.000        | 192,050              |
| 2019                 | 5/15/2034            | 4.000                | 1,256,000            |
| 2020                 | 5/15/2035            | 4.000                | 825,000              |
| 2020                 | 5/15/2031            | 5.000                | 785,000              |
| 2021                 | 5/15/2041            | 2.000                | 4,025,000            |
| 2021                 | 6/1/2033             | 4.000                | 10,530,000           |
| 2022                 | 5/15/2042            | 4.000 - 4.125        | <u>1,300,000</u>     |
|                      |                      |                      | <u>\$ 26,320,237</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 the 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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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.

**Summary of Debt Service on Bonds to Maturity**

As of June 30, 2022, amounts due to service general obligation, school facility revenue bonds payable and construction bonds, principal and interest in future years, are as follows:

Governmental Activities:

| Year ending June 30, | City                  |                      | District              |                      | Total                 |
|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|                      | Principal             | Interest             | Principal             | Interest             |                       |
| 2023                 | \$ 16,368,481         | \$ 4,514,804         | \$ 24,700,000         | \$ 13,693,437        | \$ 59,276,722         |
| 2024                 | 14,613,249            | 4,002,878            | 25,430,000            | 12,579,988           | 56,626,115            |
| 2025                 | 13,045,017            | 3,474,942            | 25,610,000            | 11,527,637           | 53,657,596            |
| 2026                 | 12,989,818            | 3,002,152            | 26,245,000            | 10,491,737           | 52,728,707            |
| 2027                 | 12,906,738            | 2,540,761            | 23,295,000            | 9,357,762            | 48,100,261            |
| 2028-2032            | 40,389,000            | 7,580,814            | 99,175,000            | 28,467,688           | 175,612,502           |
| 2033-2037            | 20,521,000            | 2,440,760            | 66,490,000            | 5,605,726            | 95,057,486            |
| 2038-2042            | 8,425,000             | 539,900              | -                     | -                    | 8,964,900             |
|                      | <u>\$ 139,258,303</u> | <u>\$ 28,097,011</u> | <u>\$ 290,945,000</u> | <u>\$ 91,723,975</u> | <u>\$ 550,024,289</u> |

Business-type Activities:

| Year ending June 30, | General obligation debt |                     | EFC bond - direct borrowing |                     | Total                |
|----------------------|-------------------------|---------------------|-----------------------------|---------------------|----------------------|
|                      | Principal               | Interest            | Principal                   | Interest            |                      |
| 2023                 | \$ 3,115,504            | \$ 970,135          | \$ 1,170,000                | \$ 494,089          | \$ 5,749,728         |
| 2024                 | 3,195,306               | 856,531             | 1,190,000                   | 449,553             | 5,691,390            |
| 2025                 | 2,580,983               | 728,629             | 1,200,000                   | 430,265             | 4,939,877            |
| 2026                 | 2,651,182               | 629,940             | 1,225,000                   | 412,523             | 4,918,645            |
| 2027                 | 2,759,262               | 528,501             | 1,235,000                   | 392,850             | 4,915,613            |
| 2028-2032            | 9,962,000               | 1,379,149           | 6,435,000                   | 1,476,185           | 19,252,334           |
| 2033-2037            | 2,056,000               | 141,585             | 6,860,000                   | (202,597)           | 8,854,988            |
| 2038-2040            | -                       | -                   | 4,310,000                   | (760,192)           | 3,549,808            |
|                      | <u>\$ 26,320,237</u>    | <u>\$ 5,234,470</u> | <u>\$ 23,625,000</u>        | <u>\$ 2,692,676</u> | <u>\$ 57,872,383</u> |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2022**

**Debt Refunding**

On October 19, 2021, the City issued \$17,155,000 of public improvement refunding bonds with a coupon rate of 2.00 - 4.00% to refund \$19,109,000 of outstanding Series 2012A and 2013A serial bonds with interest rates of 3.00% - 4.00%. The net proceeds of \$19,401,806 (inclusive of issuance premium of \$2,453,139 and less issuance costs of \$206,334) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered defeased and no liability remains in the City's financial statements. This refunding decreased total debt service payments over the next 12 years by \$2,206,770 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$2,078,954.

**Defeasement of Aviation Fund Debt**

During 2021, the Syracuse Regional Airport Authority issued revenue refunding bonds in the amount of \$35,105,000. The purpose of this issuance was to prepay principal and interest due on the City's Series 2011A bonds, which had an outstanding principal balance of \$33,980,000. The Series 2011A bonds were subject to optional redemption prior to maturity and the City exercised this option to fully defease the outstanding debt.

**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. The revenue anticipation notes issued by the City in the amount of \$46,000,000 were issued on September 30, 2020 at an interest rate of 1.50% and were paid in full during the fiscal year. Revenue anticipation notes were issued by the District on September 30, 2020, in the amount of \$85,967,000 at an interest rate of 2.00%, and were paid in full during the fiscal year. Additionally, revenue anticipation notes in the amount of \$10,770,000 with an interest rate of 1.00% were issued and paid in full 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.

Short-term debt activity for the year ended June 30, 2022:

|                                       | Balance at July       |                      |                       | Balance at    |
|---------------------------------------|-----------------------|----------------------|-----------------------|---------------|
|                                       | 1, 2021               | Additions            | Reductions            | June 30, 2022 |
| Governmental activities:              |                       |                      |                       |               |
| Revenue anticipation notes - City     | \$ 46,000,000         | \$ -                 | \$ 46,000,000         | \$ -          |
| Revenue anticipation notes - District | 85,967,000            | 10,770,000           | 96,737,000            | -             |
| <b>Total</b>                          | <b>\$ 131,967,000</b> | <b>\$ 10,770,000</b> | <b>\$ 142,737,000</b> | <b>\$ -</b>   |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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**6. LEASES**

**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>        |
|-------|---------------------|------------------|---------------------|
| 2023  | \$ 559,568          | \$ 7,526         | \$ 567,094          |
| 2024  | 354,010             | 4,578            | 358,588             |
| 2025  | 148,592             | 2,228            | 150,820             |
| 2026  | 61,033              | 708              | 61,741              |
| 2027  | <u>13,247</u>       | <u>184</u>       | <u>13,431</u>       |
| Total | <u>\$ 1,136,450</u> | <u>\$ 15,224</u> | <u>\$ 1,151,674</u> |

**City as a lessor:**

The City entered into a lease of a City-owned parking garage on July 1, 2016 for a period of ten years. Current monthly payments to the City are \$37,500 under the lease. A receivable and deferred inflow of resources are recorded in the General Fund. Future payments under the lease are as follows:

|      | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|------|---------------------|-------------------|---------------------|
| 2023 | \$ 770,689          | \$ 129,311        | \$ 900,000          |
| 2024 | 408,140             | 41,860            | 450,000             |
| 2025 | 424,134             | 25,866            | 450,000             |
| 2026 | <u>440,755</u>      | <u>9,245</u>      | <u>450,000</u>      |
|      | <u>\$ 2,043,718</u> | <u>\$ 206,282</u> | <u>\$ 2,250,000</u> |

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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2022**

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. As described in Note 5, this debt was fully defeased during the year ended June 30, 2022. 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.

**7. 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, 2022:

|                                       | Amount<br><u>Receivable</u> | Amount<br><u>Payable</u> |
|---------------------------------------|-----------------------------|--------------------------|
| General Fund                          | \$ 9,283,675                | \$ -                     |
| Joint Schools Construction Board      | -                           | 6,528,779                |
| City School District General Fund     | 17,128,041                  | -                        |
| City School District Special Aid Fund | -                           | 23,734,681               |
| Proprietary Funds:                    |                             |                          |
| Water                                 | -                           | 30,416                   |
| Sewer                                 | -                           | 2,196                    |
| Internal Service Fund                 | -                           | 1,758,422                |
| Nonmajor Governmental Funds:          |                             |                          |
| Capital Projects Fund - City          | -                           | 524,900                  |
| Capital Projects Fund - District      | 9,671,056                   | -                        |
| Debt Service - District               | 965,164                     | -                        |
| Neighborhood and Business Development | -                           | 914,102                  |
| Special Grants                        | -                           | 4,366,307                |
| SURA                                  | 1,340,674                   | 3,028,006                |
| School Food Service                   | 2,497,225                   | -                        |
| Fiduciary                             | <u>1,974</u>                | <u>-</u>                 |
|                                       | <u>\$ 40,887,809</u>        | <u>\$ 40,887,809</u>     |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
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The following schedule summarizes receivables and payables between the primary government and the discretely presented component units at June 30, 2022:

|                                     | Amount<br><u>Receivable</u> | Amount<br><u>Payable</u> |
|-------------------------------------|-----------------------------|--------------------------|
| Internal Service Fund               | \$ 1,370,143                | \$ -                     |
| Component Units:                    |                             |                          |
| Syracuse Regional Airport Authority | <u>-</u>                    | <u>1,370,143</u>         |
|                                     | <u>\$ 1,370,143</u>         | <u>\$ 1,370,143</u>      |

The amounts receivable and payable above are as of June 30, 2022. The interfund receivables and payables differences relating to the component units result from loans and other transactions in the normal course of business.

**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:

|                                       | <u>Transfers in</u>  | <u>Transfers out</u> |
|---------------------------------------|----------------------|----------------------|
| General Fund                          | \$ 2,825,000         | \$ 23,754,659        |
| Joint Schools Construction Board      | -                    | 722,810              |
| City School District General Fund     | 7,692,350            | 6,412,693            |
| City School District Special Aid Fund | 1,507,972            | 6,218,994            |
| Proprietary Funds:                    |                      |                      |
| Water                                 | -                    | 2,300,000            |
| Sewer                                 | -                    | 525,000              |
| Nonmajor Governmental Funds:          |                      |                      |
| Capital Projects Fund - City          | 5,027,579            | 947,418              |
| Capital Projects Fund - District      | 13,800               | -                    |
| Debt Service Fund - City              | 19,787,469           | -                    |
| Debt Service Fund - District          | 4,890,922            | -                    |
| Oil and Flushing                      | -                    | 112,971              |
| School Food Service Fund              | <u>-</u>             | <u>750,547</u>       |
|                                       | <u>\$ 41,745,092</u> | <u>\$ 41,745,092</u> |



**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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**8. 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 NYSEERS 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 NYSEERS. The NYSEERS 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 NYSEERS, 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.

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](http://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 NYSEERS and NYSPFRS are noncontributory except for employees who joined the NYSEERS 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 NYSEERS’ 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, 2022 | \$ 5,585,875  | \$ | 20,377,121     |
| June 30, 2021 | 5,721,547     |    | 18,038,055     |
| June 30, 2020 | 5,679,707     |    | 18,763,965     |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2022**

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

At June 30, 2022, 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, 2022, and the total pension liability used to calculate the net pension liabilities (assets) were determined by the actuarial valuation as of April 1, 2021. 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, 2022, the City reported the following:

|                                     | NYSERS          | NYSPFRS    |
|-------------------------------------|-----------------|------------|
| City's Proportion Percent           | 0.1284598%      | 1.8777079% |
| Net Pension Liability (Asset)    \$ | (10,501,053) \$ | 10,666,217 |
| Pension Expense                     | 13,359          | 9,737,187  |

The allocation of the net pension liability and pension expense for governmental activities at June 30, 2022 was as follows:

|                                     | NYSERS         | NYSPFRS    |
|-------------------------------------|----------------|------------|
| City's Proportion Percent           | 0.1076879%     | 1.8777079% |
| Net Pension Liability            \$ | (8,803,372) \$ | 10,666,217 |
| Pension Expense                     | 11,199         | 9,737,187  |

The allocation of the net pension liability and pension expense for business-type activities at June 30, 2022 was as follows:

|                                     | NYSERS      |
|-------------------------------------|-------------|
| City's Proportion Percent           | 0.0207719%  |
| Net Pension Liability            \$ | (1,697,681) |
| Pension Expense                     | 2,160       |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

At June 30, 2022, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of Resources |                      |
|---|--------------------------------|----------------------|
|   | NYSERS                         | NYSPFRS              |
| Differences between expected and actual experience  | \$ 795,259                     | \$ 5,750,236         |
| Net difference between projected and actual earnings on pension plan investments                                | -                              | -                    |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 20,782                         | 1,750,066            |
| Changes in assumptions  | 17,525,080                     | 63,839,620           |
| Contributions subsequent to the measurement date  | <u>1,261,129</u>               | <u>7,160,780</u>     |
| Total   | <u>\$ 19,602,250</u>           | <u>\$ 78,500,702</u> |

|   | Deferred Inflows of Resources |                      |
|---|-------------------------------|----------------------|
|   | NYSERS                        | NYSPFRS              |
| Differences between expected and actual experience  | \$ 1,031,497                  | \$ -                 |
| Net difference between projected and actual earnings on pension plan investments                                | 34,386,549                    | 89,624,086           |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 1,683,091                     | 4,502,683            |
| Changes in assumptions  | <u>295,717</u>                | <u>-</u>             |
| Total   | <u>\$ 37,396,854</u>          | <u>\$ 94,126,769</u> |

The allocation of deferred inflows and outflows for the governmental activities at June 30, 2022 were as follows:

|   | Deferred Outflows of Resources |                      |
|---|--------------------------------|----------------------|
|   | NYSERS                         | NYSPFRS              |
| Differences between expected and actual experience  | \$ 666,666                     | \$ 5,750,236         |
| Net difference between projected and actual earnings on pension plan investments                                | -                              | -                    |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 17,422                         | 1,750,066            |
| Changes of assumptions  | 14,691,275                     | 63,839,620           |
| Contributions subsequent to the measurement date  | <u>1,057,837</u>               | <u>7,160,780</u>     |
| Total   | <u>\$ 16,433,200</u>           | <u>\$ 78,500,702</u> |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**  
**June 30, 2022**

|   | <u>Deferred Inflows of Resources</u> |                      |
|---|--------------------------------------|----------------------|
|   | <u>NYSERS</u>                        | <u>NYSPPRS</u>       |
| Differences between expected and actual experience  | \$ 864,704                           | \$ -                 |
| Net difference between projected and actual earnings on pension plan investments                                | 28,826,244                           | 89,624,086           |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 1,410,935                            | 4,502,683            |
| Contributions subsequent to the measurement date  | <u>249,109</u>                       | <u>-</u>             |
| Total   | <u>\$ 31,350,992</u>                 | <u>\$ 94,126,769</u> |

The allocation of deferred inflows and outflows for the business-type activities at June 30, 2022 were as follows:

|   | <u>Deferred Outflows of Resources</u> |  |
|---|---------------------------------------|--|
|   | <u>NYSERS</u>                         |  |
| Differences between expected and actual experience  | \$ 128,593                            |  |
| Net difference between projected and actual earnings on pension plan investments                                | -                                     |  |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 3,360                                 |  |
| Changes of assumptions  | 2,833,805                             |  |
| Contributions subsequent to the measurement date  | <u>203,292</u>                        |  |
| Total   | <u>\$ 3,169,050</u>                   |  |

|   | <u>Deferred Inflows of Resources</u> |  |
|---|--------------------------------------|--|
|   | <u>NYSERS</u>                        |  |
| Differences between expected and actual experience  | \$ 166,793                           |  |
| Net difference between projected and actual earnings on pension plan investments                                | 5,560,305                            |  |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | 272,156                              |  |
| Contributions subsequent to the measurement date  | <u>46,608</u>                        |  |
| Total   | <u>\$ 6,045,862</u>                  |  |

The City recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022, which will result in an increase or reduction of the net pension assets or liabilities, respectively, in the year ended June 30, 2023.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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                  | NYSPFRS                |
| 2023                        | \$ (2,625,293)          | \$ (4,858,093)         |
| 2024                        | (3,665,319)             | (7,678,402)            |
| 2025                        | (7,851,883)             | (21,339,716)           |
| 2026                        | (1,833,134)             | 11,185,169             |
| 2027                        | -                       | (95,805)               |
| Thereafter                  | -                       | -                      |
|                             | <u>\$ (15,975,629)</u>  | <u>\$ (22,786,847)</u> |

| Plan's Year Ended March 31: | Business-type Activities |
|-----------------------------|--------------------------|
|                             | NYSERS                   |
| 2023                        | \$ (506,394)             |
| 2024                        | (707,005)                |
| 2025                        | (1,514,553)              |
| 2026                        | (352,152)                |
| 2027                        | -                        |
| Thereafter                  | -                        |
|                             | <u>\$ (3,080,104)</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:

|  | 1% Decrease<br>(4.9%) | Current Discount<br>(5.9%) | 1% Increase<br>(6.9%) |
|--|-----------------------|----------------------------|-----------------------|
| Proportionate Share of Net Pension Liability (Asset) - NYSERS  | \$ 27,029,596         | \$ (10,501,053)            | \$ (41,893,631)       |
| Proportionate Share of Net Pension Liability (Asset) - NYSPFRS | 118,645,207           | 10,666,217                 | (78,711,717)          |

**SURA:**

**Contributions**

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

|               | NYSERS |         |
|---------------|--------|---------|
| June 30, 2022 | \$     | 355,700 |
| June 30, 2021 |        | 370,091 |
| June 30, 2020 |        | 429,548 |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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

At June 30, 2022, SURA reported a net pension liability (asset) of \$(683,434) for its proportionate share of the NYSERS net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of April 1, 2021. 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, 2022, SURA's proportion was 0.0083605%, which was a decrease of 0.0015591% from its proportionate share reported at June 30, 2021.

For the year ended June 30, 2022, SURA recognized pension income of \$90,290. At June 30, 2022, SURA reported deferred outflows/inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience  | \$ 51,757                            | \$ 67,132                           |
| Changes in assumptions   | 1,140,575                            | 19,246                              |
| Net difference between projected and actual earnings on pension plan investments                           | -                                    | 2,237,961                           |
| Changes in proportion and difference between SURA's contributions and proportionate share of contributions | -                                    | 334,273                             |
|  | <u>                    </u>          | <u>                    </u>         |
| Total  | <u>\$ 1,192,332</u>                  | <u>\$ 2,658,612</u>                 |

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:

|            |                             |
|------------|-----------------------------|
| 2023       | \$ (289,707)                |
| 2024       | (355,860)                   |
| 2025       | (664,702)                   |
| 2026       | (156,011)                   |
| 2027       | -                           |
| Thereafter | -                           |
|            | <u>                    </u> |
|            | <u>\$ (1,466,280)</u>       |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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**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 discount rate 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:

|  | 1% Decrease<br>(4.9%) | Current Discount<br>(5.9%) | 1% Increase<br>(6.9%) |
|--|-----------------------|----------------------------|-----------------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 1,759,152          | \$ (683,434)               | \$ (2,726,540)        |

**District:**

**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> |           |
|---------------|---------------|-----------|
| June 30, 2022 | \$            | 6,405,677 |
| June 30, 2021 |               | 6,148,415 |
| June 30, 2020 |               | 5,897,634 |

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

At June 30, 2022, the District reported a net pension liability (asset) of \$(11,659,792) for its proportionate share of the NYSERS net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of April 1, 2021. 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, 2022, the District's proportion was 0.1426346%, which was a decrease of 0.0082277% from its proportionate share of 0.1508623% as measured at March 31, 2021.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

For the year ended June 30, 2022, the District recognized pension expense of \$571,144. At June 30, 2022, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 883,012                           | \$ 1,145,317                        |
| Changes in assumptions  | 19,458,885                           | 328,348                             |
| Net difference between projected and actual earnings on pension plan investments                                    | -                                    | 38,180,932                          |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 344,601                              | 758,477                             |
| Contributions subsequent to the measurement date  | <u>1,233,880</u>                     | <u>-</u>                            |
| Total   | <u>\$ 21,920,378</u>                 | <u>\$ 40,413,074</u>                |

The District recognized \$1,233,880 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022, which will be recognized as an adjustment to the net pension liability (asset) in the year ended June 30, 2023.

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:

|            |                        |
|------------|------------------------|
| 2023       | \$ (2,979,681)         |
| 2024       | (4,449,034)            |
| 2025       | (10,053,592)           |
| 2026       | (2,244,269)            |
| 2027       | -                      |
| Thereafter | <u>-</u>               |
|            | <u>\$ (19,726,576)</u> |

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension 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:

|   | 1% Decrease<br>(4.9%) | Current Discount<br>(5.9%) | 1% Increase<br>(6.9%) |
|---|-----------------------|----------------------------|-----------------------|
| Proportionate Share of Net Pension Liabilities (Assets) | \$ 30,012,176         | \$ (11,659,792)            | \$ (46,516,382)       |



**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liabilities of the employers as of March 31, 2022 (in thousands) were as follows:

|   | ERS                   | PFRS                |
|---|-----------------------|---------------------|
| Total pension liability   | \$ 223,874,888        | \$ 42,237,292       |
| Net position  | <u>(232,049,473)</u>  | <u>(41,669,250)</u> |
| Net pension liability (asset)                                     | <u>\$ (8,174,585)</u> | <u>\$ 568,042</u>   |
| Fiduciary net position as a percentage of total pension liability | 103.65%               | 98.66%              |

**Actuarial Assumptions**

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022.

The actuarial valuation used the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Actuarial cost method     | Entry age normal   |
| Inflation                 | 2.70%  |
| Salary scale              | 4.4% for ERS, 6.2% for PFRS indexed by service   |
| Projected COLAs           | 1.4% compounded annually   |
| Decrement                 | 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-2020   |
| Investment Rate of Return | 5.9% compounded annually, net of investment expenses   |

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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below:

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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**Long-Term Expected Rate of Return**

| Asset Type                  | Target<br>Allocations in<br>% | Long-Term<br>expected real<br>rate of return<br>in % |
|-----------------------------|-------------------------------|--|
| Domestic Equity             | 32.0                          | 3.30   |
| International Equity        | 15.0                          | 5.85   |
| Private Equity              | 10.0                          | 6.50   |
| Real Estate                 | 9.0                           | 5.00   |
| Opportunistic/ARS Portfolio | 3.0                           | 4.10   |
| Credit                      | 4.0                           | 3.78   |
| Real Assets                 | 3.0                           | 5.80   |
| Fixed Income                | 23.0                          | 0.00   |
| Cash                        | <u>1.0</u>                    | (1.00)   |
|                             | <u>100.0</u>                  |  |

The real rate of return is net of the long-term inflation assumption of 2.5%

**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)**

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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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2022**

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**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.

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, 2022 | \$            | 20,209,748 |
| June 30, 2021 |               | 17,250,303 |
| June 30, 2020 |               | 20,169,382 |

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

At June 30, 2022, the District reported a net pension asset of \$187,344,602 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. The District's proportion of the net pension 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 June 30, 2021, the District's proportionate share was 1.081102%, which was a decrease of 0.065995% from its proportionate share of 1.147097% as measured at June 30, 2020.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

For the year ended June 30, 2022, the District recognized pension income of \$11,207,847. At June 30, 2022, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 25,823,466                        | \$ 973,335                          |
| Changes in assumptions  | 61,621,555                           | 10,912,270                          |
| Net difference between projected and actual earnings on pension plan investments                                    | -                                    | 196,075,509                         |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 2,581,553                            | 2,032,343                           |
| Contributions subsequent to the measurement date  | <u>20,167,475</u>                    | <u>-</u>                            |
| Total   | <u>\$ 110,194,049</u>                | <u>\$ 209,993,457</u>               |

The District recognized \$20,167,475 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2021 that are recognized as an adjustment of the net pension (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:

|            |                         |
|------------|-------------------------|
| 2022       | \$ (24,651,366)         |
| 2023       | (28,234,882)            |
| 2024       | (35,678,409)            |
| 2025       | (47,056,583)            |
| 2026       | 9,144,030               |
| Thereafter | <u>6,510,327</u>        |
|            | <u>\$ (119,966,883)</u> |

# CITY OF SYRACUSE, NEW YORK

## Notes to Basic Financial Statements June 30, 2022

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### Actuarial Assumptions

The total pension liability at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. These actuarial valuations used the following actuarial assumptions:

|                            |   |
|----------------------------|---|
| Actuarial Cost Method      | Entry Normal Age  |
| Inflation                  | 2.40%   |
| Projected Salary Increases | Rates of increase differ based on service.<br>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           | 1.3% compounded annually  |
| Investment Rate of Return | 6.95% compounded annually, net of pension plan investment expense, including inflation. |

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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, 2021 are summarized in the following table:

| Asset Type                       | Target<br>Allocations in<br>% | Long-Term<br>expected real<br>rate of return<br>in % |
|----------------------------------|-------------------------------|--|
| Domestic Equity                  | 33.0                          | 6.8  |
| International Equities           | 16.0                          | 7.6  |
| Global Equities                  | 4.0                           | 7.1  |
| Real Estate Equities             | 11.0                          | 6.5  |
| Private Equities                 | 8.0                           | 10.0   |
| Domestic Fixed Income Securities | 16.0                          | 1.3  |
| Global Bonds                     | 2.0                           | 0.8  |
| High-Yield Bonds                 | 1.0                           | 3.8  |
| Private Debt                     | 1.0                           | 5.9  |
| Real Estate Debt                 | 7.0                           | 3.3  |
| Cash Equivalents                 | <u>1.0</u>                    | (0.2)  |
|                                  | <u>100.0</u>                  |  |

**Discount Rate**

The discount rate used to measure the total pension liability 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 (asset).

**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:

|  | 1% Decrease<br>(5.95%) | Current Discount<br>(6.95%) | 1% Increase<br>(7.95%) |
|--|------------------------|-----------------------------|------------------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ (19,659,084)        | \$ (187,344,602)            | \$ (328,272,111)       |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) (in thousands) of the participating school districts as of June 30, 2021, were as follows:

|   | NYSTRS                 |
|---|------------------------|
| Total pension liability   | \$ 130,819,415         |
| Net position  | (148,148,457)          |
| Net pension liability (asset)                                     | <u>\$ (17,329,042)</u> |
| Fiduciary net position as a percentage of total pension liability | 113.2%                 |

**Summary of Net Pension Asset, Liabilities, Deferred Outflows and Deferred Inflows**

The components of the net pension asset, net pension liabilities, and deferred outflows of resources and deferred inflows of resources are as follows as of June 30, 2022:

|                                | Net Pension<br>Asset  | Net Pension<br>Liability | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------|-----------------------|--------------------------|--------------------------------------|-------------------------------------|
| Governmental activities:       |                       |                          |                                      |                                     |
| City NYSERS                    | \$ 8,803,372          | \$ -                     | \$ 16,433,200                        | \$ 31,350,992                       |
| City NYSPFRS                   | -                     | 10,666,217               | 78,500,702                           | 94,126,769                          |
| SURA NYSERS                    | 683,434               | -                        | 1,192,332                            | 2,658,612                           |
| District NYSERS                | 11,659,792            | -                        | 21,920,378                           | 40,413,074                          |
| District NYSTRS                | <u>187,344,602</u>    | <u>-</u>                 | <u>110,194,049</u>                   | <u>209,993,457</u>                  |
| Total governmental activities  | <u>\$ 208,491,200</u> | <u>\$ 10,666,217</u>     | <u>\$ 228,240,661</u>                | <u>\$ 378,542,904</u>               |
| Business-type activities:      |                       |                          |                                      |                                     |
| City NYSERS                    | <u>\$ 1,697,681</u>   | <u>\$ -</u>              | <u>\$ 3,169,050</u>                  | <u>\$ 6,045,862</u>                 |
| Total business-type activities | <u>\$ 1,697,681</u>   | <u>\$ -</u>              | <u>\$ 3,169,050</u>                  | <u>\$ 6,045,862</u>                 |

**9. 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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**  
**June 30, 2022**

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 -<br>Governmental<br>Activities | District             | Total<br>Governmental<br>Activities | City - Business-<br>type Activities |
|--|--------------------------------------|----------------------|-------------------------------------|-------------------------------------|
| Activity for the year ended June 30, 2022        |                                      |                      |                                     |                                     |
| Worker's compensation liability - July 1         | \$ 7,078,740                         | \$ 33,751,591        | \$ 40,830,331                       | \$ 1,648,671                        |
| Health and dental liability - July 1             | <u>2,597,238</u>                     | <u>1,068,859</u>     | <u>3,666,097</u>                    | <u>165,230</u>                      |
| Total self insurance liability - July 1          | <u>9,675,978</u>                     | <u>34,820,450</u>    | <u>44,496,428</u>                   | <u>1,813,901</u>                    |
| Worker's compensation claims, net of<br>payments | (266,954)                            | 6,866,242            | 6,599,288                           | 6,192                               |
| Health and dental claims, net of payments        | <u>(156,941)</u>                     | <u>(783,868)</u>     | <u>(940,809)</u>                    | <u>(17,057)</u>                     |
| Total claims, net of payments                    | <u>(423,895)</u>                     | <u>6,082,374</u>     | <u>5,658,479</u>                    | <u>(10,865)</u>                     |
| Worker's compensation liability - June 30        | 6,811,786                            | 40,617,833           | 47,429,619                          | 1,654,863                           |
| Health and dental liability - June 30            | <u>2,440,297</u>                     | <u>284,991</u>       | <u>2,725,288</u>                    | <u>148,173</u>                      |
| Total self insurance liability - June 30         | <u>\$ 9,252,083</u>                  | <u>\$ 40,902,824</u> | <u>\$ 50,154,907</u>                | <u>\$ 1,803,036</u>                 |



**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

|   | City -              |                      | Total                |                     |
|---|---------------------|----------------------|----------------------|---------------------|
|   | Governmental        | District             | Governmental         | City - Business-    |
|   | Activities          |                      | Activities           | type Activities     |
| Activity for the year ended June 30, 2021     |                     |                      |                      |                     |
| Worker's compensation liability - July 1      | \$ 6,958,685        | \$ 34,465,815        | \$ 41,424,500        | \$ 1,818,938        |
| Health and dental liability - July 1          | <u>3,067,078</u>    | <u>2,113,301</u>     | <u>5,180,379</u>     | <u>153,156</u>      |
| Total self insurance liability - July 1       | <u>10,025,763</u>   | <u>36,579,116</u>    | <u>46,604,879</u>    | <u>1,972,094</u>    |
| Worker's compensation claims, net of payments | 120,055             | (714,224)            | (594,169)            | (170,267)           |
| Health and dental claims, net of payments     | <u>(469,840)</u>    | <u>(1,044,442)</u>   | <u>(1,514,282)</u>   | <u>12,074</u>       |
| Total claims, net of payments                 | <u>(349,785)</u>    | <u>(1,758,666)</u>   | <u>(2,108,451)</u>   | <u>(158,193)</u>    |
| Worker's compensation liability - June 30     | 7,078,740           | 33,751,591           | 40,830,331           | 1,648,671           |
| Health and dental liability - June 30         | <u>2,597,238</u>    | <u>1,068,859</u>     | <u>3,666,097</u>     | <u>165,230</u>      |
| Total self insurance liability - June 30      | <u>\$ 9,675,978</u> | <u>\$ 34,820,450</u> | <u>\$ 44,496,428</u> | <u>\$ 1,813,901</u> |

**10. 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 health care 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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

**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.

**Employees Covered by Benefit Terms**

At June 30, 2022, the following employees were covered by the benefit terms:

|  | <u>City &amp; SURA</u> | <u>District</u>     |
|--|------------------------|---------------------|
| Inactive employees or beneficiaries currently receiving benefits | 1,895                  | 2,730               |
| Inactive employees entitled to but not yet receiving benefits    | -                      | -                   |
| Active employees   | <u>1,481</u>           | <u>3,373</u>        |
| Total participants   | <u><u>3,376</u></u>    | <u><u>6,103</u></u> |

**Total OPEB Liability**

The City and the District's total liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

|                          | <u>City &amp; SURA</u> | <u>District</u> | <u>Total</u>   |
|--------------------------|------------------------|-----------------|----------------|
| Governmental Activities  | \$ 326,481,109         | \$ 306,848,622  | \$ 633,329,731 |
| Business-type Activities | 22,741,016             | -               | 22,741,016     |

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2021 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 &amp; SURA</u>  | <u>District</u>   |
|---|---|---|
| Reporting Date                            | 6/30/2022   | 6/30/2022   |
| Measurement Date                          | 6/30/2022   | 6/30/2022   |
| Actuarial Valuation Date                  | 7/1/2021  | 7/1/2021  |
| Discount Rate                             | 3.69%   | 3.69%   |
| Rate of compensation increase             | 4.50%   | 3.00%   |
| Inflation rate                            | 2.25%   | 2.25%   |
| Actuarial Cost Method                     | Entry Age Normal  | Entry Age Normal  |
| Amortization Method                       | Level Percentage  | Level Percentage  |
| Amortization Period                       | Varies by Group   | 7.660 years   |
| Medical and prescription drug trend rates | 4.4% to 6.75%, declining to<br>ultimate trend rate of 3.784%<br>in 2075 | 4.4% to 6.75%, declining to<br>ultimate trend rate of 3.784%<br>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, 2021 and June 30, 2022, which yielded discount rates of 1.92% and 3.69% respectively.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
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Mortality rates were based on the sex-distinct and job category-specific headcount-weighted Pub-2010 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, 2021 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 &amp; SURA</u> | <u>District</u>       |
|--|------------------------|-----------------------|
| Balance at June 30, 2021                           | \$ 473,246,463         | \$ 349,878,086        |
| Changes for the Year-                              |                        |                       |
| Service cost                                       | 20,082,532             | 12,988,416            |
| Interest   | 8,215,988              | 7,125,017             |
| Changes of benefit terms                           | (1,757,672)            | (17,300,024)          |
| Changes in assumptions or other inputs             | (77,424,449)           | (47,231,871)          |
| Differences between expected and actual experience | (57,685,223)           | 15,067,237            |
| Benefit payments                                   | <u>(15,455,514)</u>    | <u>(13,678,239)</u>   |
| Net changes  | <u>(124,024,338)</u>   | <u>(43,029,464)</u>   |
| Balance at June 30, 2022                           | <u>\$ 349,222,125</u>  | <u>\$ 306,848,622</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 1.92% as of June 30, 2021, to 3.69% as of June 30, 2022.

**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 (2.69%) or 1% higher (4.69%) than the current discount rate:

|                         | <u>1% Decrease</u> | <u>Current</u> | <u>1% Increase</u> |
|-------------------------|--------------------|----------------|--------------------|
| City OPEB Liability     | \$ 392,806,601     | \$ 349,222,125 | \$ 312,703,524     |
| District OPEB Liability | \$ 345,266,862     | \$ 306,848,622 | \$ 274,468,944     |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

**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 OPEB Liability     | \$ 299,552,817     | \$ 349,222,125 | \$ 411,583,907     |
| District OPEB Liability | \$ 266,227,663     | \$ 306,848,622 | \$ 357,379,194     |

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

For the year ended June 30, 2022, the City and the District recognized OPEB expense of \$(72,384,823) and \$(48,585,589), respectively. At June 30, 2022, the City and the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <u>Governmental Activities</u>       |                                     | <u>Business-type Activities</u>      |                                     |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| City & SURA:   |                                      |                                     |                                      |                                     |
| Change of assumptions                                | \$ 45,023,566                        | \$ 66,704,576                       | \$ 2,123,725                         | \$ 4,824,127                        |
| Difference between expected and actual<br>experience | <u>535,226</u>                       | <u>278,130,893</u>                  | <u>72,269</u>                        | <u>18,851,779</u>                   |
| Total City & SURA                                    | <u>45,558,792</u>                    | <u>344,835,469</u>                  | <u>2,195,994</u>                     | <u>23,675,906</u>                   |
| District:  |                                      |                                     |                                      |                                     |
| Change of assumptions                                | 39,792,948                           | 52,420,915                          | -                                    | -                                   |
| Difference between expected and actual<br>experience | <u>26,901,140</u>                    | <u>226,138,036</u>                  | <u>-</u>                             | <u>-</u>                            |
| Total District                                       | <u>66,694,088</u>                    | <u>278,558,951</u>                  | <u>-</u>                             | <u>-</u>                            |
| Total  | <u>\$ 112,252,880</u>                | <u>\$ 623,394,420</u>               | <u>\$ 2,195,994</u>                  | <u>\$ 23,675,906</u>                |

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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

| Fiscal Year Ending June | Governmental Activities |                         | Business-type Activities |
|-------------------------|-------------------------|-------------------------|--------------------------|
|                         | City & SURA             | District                | City & SURA              |
| 2023                    | \$ (90,749,231)         | \$ (51,398,998)         | \$ (8,141,684)           |
| 2024                    | (89,625,317)            | (51,398,998)            | (8,048,547)              |
| 2025                    | (77,474,826)            | (51,398,998)            | (3,548,313)              |
| 2026                    | (22,105,733)            | (49,059,200)            | (1,560,049)              |
| 2027                    | (19,321,570)            | (2,800,472)             | (181,319)                |
| Thereafter              | -                       | (5,808,197)             | -                        |
|                         | <u>\$ (299,276,677)</u> | <u>\$ (211,864,863)</u> | <u>\$ (21,479,912)</u>   |

**11. 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, 2022.

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.

**12. 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 \$247,900 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.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements  
June 30, 2022**

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**13. PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use and underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's financial statements and had no effect on the beginning net position / fund balance of any of the City's opinion units, as right-to-use lease assets equaled lease liabilities and lease receivables equaled deferred inflows of resources. The effect of adoption was as follows:

|  | Governmental<br>Activities Net<br>Position | General Fund<br>Fund Balance | Internal Service<br>Fund Net<br>Position |
|--|--|------------------------------|--|
|  | <u>Position</u>                            | <u>Fund Balance</u>          | <u>Position</u>                          |
| Balance at June 30, 2021, as previously reported | \$ (657,362,797)                           | \$ 82,138,557                | \$ 828,864                               |
| Adjustments:                                     |  |                              |  |
| Net book value of right-to-use lease asset       | 1,369,138                                  | -                            | -  |
| Lease liability                                  | (1,369,138)                                | -                            | -  |
| Lease receivable                                 | 37,337,693                                 | 2,043,718                    | 35,293,975                               |
| Deferred inflow of resources - leases            | <u>(37,337,693)</u>                        | <u>(2,043,718)</u>           | <u>(35,293,975)</u>                      |
| Balance at July 1, 2021 as restated              | <u>\$ (657,362,797)</u>                    | <u>\$ 82,138,557</u>         | <u>\$ 828,864</u>                        |

**14. SUBSEQUENT EVENTS**

On October 7, 2022, the City issued \$16,994,585 in Series 2022 bond anticipation notes at an interest rate of 5% with a maturity date of July 6, 2023. The purpose of this issue was to provide funds to defray the cost of a satisfaction of contractual obligations related to the transfer of a parking garage. Under the agreement, the City also transferred assets which had a zero net book value as of June 30, 2022.

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, 2022

|   | <u>General Fund</u>    |                     |                      | Variance Favorable   |
|---|------------------------|---------------------|----------------------|----------------------|
|   | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u>        | <u>(Unfavorable)</u> |
| <b>REVENUES:</b>  |                        |                     |                      |                      |
| General property taxes and tax items  | \$ 45,804,708          | \$ 45,804,708       | \$ 42,651,369        | \$ (3,153,339)       |
| Sales and use taxes   | 92,313,005             | 101,017,655         | 108,084,537          | 7,066,882            |
| Other local taxes   | 3,071,000              | 3,071,000           | 3,178,295            | 107,295              |
| Departmental revenues   | 11,879,740             | 11,879,740          | 11,169,380           | (710,360)            |
| Intergovernmental charges   | 162,900                | 162,900             | 250,411              | 87,511               |
| Licenses and permits  | 2,435,700              | 2,435,700           | 3,199,795            | 764,095              |
| Fines and forfeitures   | 4,328,500              | 4,328,500           | 3,093,779            | (1,234,721)          |
| Sale of property and compensation for loss  | 595,700                | 595,700             | 981,465              | 385,765              |
| Use of money and property   | 1,400,100              | 1,400,100           | 97,610               | (1,302,490)          |
| Federal and state aid and other grants  | 97,934,783             | 97,934,783          | 103,200,998          | 5,266,215            |
| Other revenues  | 3,453,800              | 3,453,800           | 9,557,090            | 6,103,290            |
|   | <u>263,379,936</u>     | <u>272,084,586</u>  | <u>285,464,729</u>   | <u>13,380,143</u>    |
| <b>EXPENDITURES:</b>  |                        |                     |                      |                      |
| Current:  |                        |                     |                      |                      |
| General government support  | 37,508,392             | 39,114,640          | 35,510,104           | 3,604,536            |
| Public safety   | 166,284,185            | 170,919,166         | 153,129,719          | 17,789,447           |
| Transportation  | 17,772,214             | 19,819,752          | 19,169,340           | 650,412              |
| Home and community services   | 12,838,825             | 13,070,076          | 12,748,079           | 321,997              |
| Culture and recreation  | 8,726,613              | 8,911,245           | 10,088,297           | (1,177,052)          |
| Interest on debt  | 295,000                | 295,000             | 57,044               | 237,956              |
|   | <u>243,425,229</u>     | <u>252,129,879</u>  | <u>230,702,583</u>   | <u>21,427,296</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>  | <u>19,954,707</u>      | <u>19,954,707</u>   | <u>54,762,146</u>    | <u>34,807,439</u>    |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                        |                     |                      |                      |
| Bond proceeds   | -                      | -                   | 2,784,110            | 2,784,110            |
| Premium on bonds  | -                      | -                   | 126,325              | 126,325              |
| Operating transfers in  | 2,825,000              | 2,825,000           | 2,825,000            | -                    |
| Operating transfers out   | (22,779,707)           | (22,779,707)        | (23,754,659)         | (974,952)            |
|   | <u>(19,954,707)</u>    | <u>(19,954,707)</u> | <u>(18,019,224)</u>  | <u>1,935,483</u>     |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES</b> | <u>\$ -</u>            | <u>\$ -</u>         | <u>36,742,922</u>    | <u>\$ 36,742,922</u> |
| <b>EFFECT OF ENCUMBRANCES</b>   |                        |                     | <u>133,335</u>       |                      |
| <b>CHANGE IN FUND BALANCE</b>   |                        |                     | <u>\$ 36,876,257</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, 2022

|   | General Fund<br>City School District |                       |                      |                                      |  |  |
|---|--------------------------------------|-----------------------|----------------------|--------------------------------------|--|--|
|   | Original Budget                      | Final Budget          | Actual CSD           | Add: Current<br>Year<br>Encumbrances | Total Current<br>Year<br>Expenditures<br>and<br>Encumbrances | Variance<br>Favorable<br>(Unfavorable) |
|   |                                      |                       |                      |                                      |  |  |
| <b>REVENUES:</b>  |                                      |                       |                      |                                      |  |  |
| General property taxes and tax items  | \$ 62,046,499                        | \$ 62,046,499         | \$ 62,407,853        | \$ -                                 | \$ 62,407,853  | \$ 361,354                             |
| Sales and use taxes   | 450,000                              | 450,000               | 879,098              | -                                    | 879,098  | 429,098                                |
| Sale of property and compensation for loss  | 50,250                               | 50,250                | 38,781               | -                                    | 38,781   | (11,469)                               |
| Use of money and property   | 325,500                              | 325,500               | 163,857              | -                                    | 163,857  | (161,643)                              |
| Federal and state aid and other grants  | 391,140,646                          | 397,266,549           | 396,812,314          | -                                    | 396,812,314  | (454,235)                              |
| Other revenues  | 1,277,347                            | 1,277,347             | 6,938,714            | -                                    | 6,938,714  | 5,661,367                              |
| <b>Total revenues</b>   | <b>455,290,242</b>                   | <b>461,416,145</b>    | <b>467,240,617</b>   | <b>-</b>                             | <b>467,240,617</b>   | <b>5,824,472</b>                       |
| <b>EXPENDITURES:</b>  |                                      |                       |                      |                                      |  |  |
| Current:  |                                      |                       |                      |                                      |  |  |
| Education   | 420,272,860                          | 432,388,537           | 379,657,196          | 6,904,763                            | 386,561,959  | 45,826,578                             |
| Pass-through New York State funding to JSCB   | 34,125,613                           | 34,125,613            | 33,962,612           | 170,170                              | 34,132,782   | (7,169)                                |
| Interest on debt  | 2,809,946                            | 2,809,946             | 928,818              | -                                    | 928,818  | 1,881,128                              |
| Capital Outlay  | -                                    | -                     | 497,030              | -                                    | 497,030  | (497,030)                              |
| <b>Total expenditures</b>   | <b>457,208,419</b>                   | <b>469,324,096</b>    | <b>415,045,656</b>   | <b>7,074,933</b>                     | <b>422,120,589</b>   | <b>47,203,507</b>                      |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>  | <b>(1,918,177)</b>                   | <b>(7,907,951)</b>    | <b>52,194,961</b>    | <b>(7,074,933)</b>                   | <b>45,120,028</b>  | <b>53,027,979</b>                      |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                                      |                       |                      |                                      |  |  |
| Premium on issuance of RANS   | -                                    | -                     | 34,862               | -                                    | 34,862   | 34,862                                 |
| Operating transfers in  | 5,000,000                            | 10,989,774            | 7,692,350            | -                                    | 7,692,350  | (3,297,424)                            |
| Lease Liabilities Issued  | -                                    | -                     | 497,030              | -                                    | 497,030  | 497,030                                |
| Operating transfers out   | (8,548,454)                          | (8,548,454)           | (6,412,693)          | -                                    | (6,412,693)  | 2,135,761                              |
| <b>Total other financing sources (uses) - net</b>   | <b>(3,548,454)</b>                   | <b>2,441,320</b>      | <b>1,811,549</b>     | <b>-</b>                             | <b>1,811,549</b>   | <b>(629,771)</b>                       |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br/>FINANCING SOURCES OVER EXPENDITURES,<br/>ENCUMBRANCES AND OTHER FINANCING<br/>SOURCES (USES)</b> | <b>\$ (5,466,631)</b>                | <b>\$ (5,466,631)</b> | <b>\$ 54,006,510</b> | <b>\$ (7,074,933)</b>                | <b>\$ 46,931,577</b>   | <b>\$ 52,398,208</b>                   |



CITY OF SYRACUSE, NEW YORK

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)  
For the Year Ended June 30, 2022

|   | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |                       |                       |                       |                       |        |        |        |        |        |
|---|--|-----------------------|-----------------------|-----------------------|-----------------------|--------|--------|--------|--------|--------|
|   | 2022   | 2021                  | 2020                  | 2019                  | 2018                  | 2017** | 2016** | 2015** | 2014** | 2013** |
| <b>City (including SURA):</b>   |  |                       |                       |                       |                       |        |        |        |        |        |
| <b>Total OPEB Liability</b>   |  |                       |                       |                       |                       |        |        |        |        |        |
| Service cost  | \$ 20,082,532  | \$ 17,841,500         | \$ 15,748,910         | \$ 27,628,631         | \$ 26,872,640         |        |        |        |        |        |
| Interest  | 8,215,988  | 11,512,239            | 13,577,148            | 31,336,832            | 29,839,653            |        |        |        |        |        |
| Changes of benefit terms  | (1,757,672)  | -                     | -                     | -                     | (72,246)              |        |        |        |        |        |
| Differences between expected and actual experience                      | (57,685,223)   | (42,581,090)          | (457,421,643)         | (101,816)             | 2,495,420             |        |        |        |        |        |
| Changes in assumptions  | (77,424,449)   | 43,231,775            | 38,477,648            | (17,737,265)          | (7,975,348)           |        |        |        |        |        |
| Benefit payments  | (15,455,514)   | (17,607,606)          | (16,735,004)          | (23,907,031)          | (24,993,401)          |        |        |        |        |        |
| <b>Total change in total OPEB liability</b>                             | <b>(124,024,338)</b>   | <b>12,396,818</b>     | <b>(406,352,941)</b>  | <b>17,219,351</b>     | <b>26,166,718</b>     |        |        |        |        |        |
| <b>Total OPEB liability - beginning</b>                                 | <b>473,246,463</b>   | <b>460,849,645</b>    | <b>867,202,586</b>    | <b>849,983,235</b>    | <b>823,816,517</b>    |        |        |        |        |        |
| <b>Total OPEB liability - ending</b>                                    | <b>\$ 349,222,125</b>  | <b>\$ 473,246,463</b> | <b>\$ 460,849,645</b> | <b>\$ 867,202,586</b> | <b>\$ 849,983,235</b> |        |        |        |        |        |
| <b>Covered-employee payroll</b>   | <b>\$ 120,282,826</b>  | <b>\$ 112,061,456</b> | <b>\$ 119,992,187</b> | <b>\$ 124,496,493</b> | <b>\$ 119,321,070</b> |        |        |        |        |        |
| <b>Total OPEB liability as a percentage of covered-employee payroll</b> | <b>290.3%</b>  | <b>422.3%</b>         | <b>384.1%</b>         | <b>696.6%</b>         | <b>712.4%</b>         |        |        |        |        |        |

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 | 3.69% | 1.92% | 2.45% | 3.13% | 3.62% |
|---------------|-------|-------|-------|-------|-------|

The actuarial cost method is Entry Age Normal.

As of June 30, 2022, the discount rate changed from 1.92% to 3.69%. This resulted in a decrease in the liability.

As of June 30, 2022, the mortality assumption was revised to better reflect future expectations. This resulted in an increase in the liability.

As of June 30, 2022, the annual rate of increase in healthcare costs was revised to better reflect future expectations. 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.

Continued...

CITY OF SYRACUSE, NEW YORK

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)  
For the Year Ended June 30, 2022

|   | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |                       |                       |                       |                       |        |        |        |        |        |
|---|--|-----------------------|-----------------------|-----------------------|-----------------------|--------|--------|--------|--------|--------|
|   | 2022   | 2021                  | 2020                  | 2019                  | 2018                  | 2017** | 2016** | 2015** | 2014** | 2013** |
| <b>City School District:</b>  |  |                       |                       |                       |                       |        |        |        |        |        |
| <b>Total OPEB Liability</b>   |  |                       |                       |                       |                       |        |        |        |        |        |
| Service cost  | \$ 12,988,416  | \$ 8,283,401          | \$ 7,790,200          | \$ 19,345,430         | \$ 19,103,347         |        |        |        |        |        |
| Interest  | 7,125,017  | 7,094,705             | 8,564,800             | 23,616,910            | 22,589,595            |        |        |        |        |        |
| Changes of benefit terms  | (17,300,024)   | 8,631,106             | -                     | -                     | -                     |        |        |        |        |        |
| Differences between expected and actual experience                      | 15,067,237   | 19,148,021            | (389,052,209)         | (2,242,757)           | (314,221)             |        |        |        |        |        |
| Changes in assumptions  | (47,231,871)   | 32,233,001            | 28,637,682            | (19,845,230)          | (5,655,185)           |        |        |        |        |        |
| Benefit payments  | (13,678,239)   | (13,617,053)          | (12,918,652)          | (17,693,310)          | (18,514,661)          |        |        |        |        |        |
| <b>Total change in total OPEB liability</b>                             | <b>(43,029,464)</b>  | <b>61,773,181</b>     | <b>(356,978,179)</b>  | <b>3,181,043</b>      | <b>17,208,875</b>     |        |        |        |        |        |
| <b>Total OPEB liability - beginning</b>                                 | <b>349,878,086</b>   | <b>288,104,905</b>    | <b>645,083,084</b>    | <b>641,902,041</b>    | <b>624,693,166</b>    |        |        |        |        |        |
| <b>Total OPEB liability - ending</b>                                    | <b>\$ 306,848,622</b>  | <b>\$ 349,878,086</b> | <b>\$ 288,104,905</b> | <b>\$ 645,083,084</b> | <b>\$ 641,902,041</b> |        |        |        |        |        |
| <b>Covered-employee payroll</b>   | <b>\$ 264,719,123</b>  | <b>\$ 233,839,973</b> | <b>\$ 229,649,395</b> | <b>\$ 225,440,334</b> | <b>\$ 239,120,856</b> |        |        |        |        |        |
| <b>Total OPEB liability as a percentage of covered-employee payroll</b> | <b>115.9%</b>  | <b>149.6%</b>         | <b>125.5%</b>         | <b>286.1%</b>         | <b>268.4%</b>         |        |        |        |        |        |

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:

|               | 2022  | 2021  | 2020  | 2019  | 2018  |
|---------------|-------|-------|-------|-------|-------|
| Discount rate | 3.69% | 1.92% | 2.45% | 3.13% | 3.62% |

The actuarial cost method is Entry Age Normal.

As of June 30, 2022, the discount rate changed from 1.92% to 3.69%. This resulted in a decrease in the liability.

As of June 30, 2022, the mortality assumption was revised to better reflect future expectations. This resulted in an increase in the liability.

As of June 30, 2022, 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, 2022 measurement date, the turnover and retirement assumptions for New York State governmental employees participating in TRS were updated using information from the July 1, 2015 - June 30, 2020 experience study released by the Retirement System's Actuary. 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, 2022**

**CITY SCHOOL DISTRICT:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |            |            |            |            |            |        |        |
|--|--|------------|------------|------------|------------|------------|------------|------------|--------|--------|
|  | 2022   | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014** | 2013** |
| Proportion of the net pension liability (asset)  | 0.1426346%   | 0.1508623% | 0.1481789% | 0.1517704% | 0.1427046% | 0.1376588% | 0.1323220% | 0.1295850% |        |        |
| Proportionate share of the net pension liability (asset)   | \$ (11,660)  | \$ 150     | \$ 39,239  | \$ 10,753  | \$ 4,606   | \$ 12,935  | \$ 21,238  | \$ 4,378   |        |        |
| Covered-employee payroll   | \$ 46,377  | \$ 43,185  | \$ 45,503  | \$ 43,581  | \$ 43,232  | \$ 39,296  | \$ 37,080  | \$ 33,468  |        |        |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -25.14%  | 0.35%      | 86.23%     | 24.67%     | 10.65%     | 32.92%     | 57.28%     | 13.08%     |        |        |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                       | 103.65%  | 99.95%     | 86.39%     | 96.27%     | 98.24%     | 94.70%     | 90.68%     | 97.90%     |        |        |

**NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |             |             |            |            |              |              |        |        |
|--|--|------------|-------------|-------------|------------|------------|--------------|--------------|--------|--------|
|  | 2022   | 2021       | 2020        | 2019        | 2018       | 2017       | 2016         | 2015         | 2014** | 2013** |
| Proportion of the net pension liability (asset)  | 1.081102%  | 1.147097%  | 1.137809%   | 1.129355%   | 1.119303%  | 1.137868%  | 1.051631%    | 1.072093%    |        |        |
| Proportionate share of the net pension liability (asset)   | \$ (187,345)   | \$ 31,697  | \$ (29,560) | \$ (20,422) | \$ (8,508) | \$ 12,187  | \$ (109,231) | \$ (119,425) |        |        |
| Covered-employee payroll   | \$ 205,791   | \$ 183,510 | \$ 194,699  | \$ 189,798  | \$ 177,373 | \$ 175,373 | \$ 157,918   | \$ 158,365   |        |        |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -91.04%  | 17.27%     | -15.18%     | -10.76%     | -4.80%     | 6.95%      | -69.17%      | -75.41%      |        |        |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                       | 113.20%  | 97.80%     | 102.20%     | 101.53%     | 100.66%    | 99.01%     | 110.46%      | 111.48%      |        |        |

**CITY:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |            |            |            |            |            |        |        |
|--|--|------------|------------|------------|------------|------------|------------|------------|--------|--------|
|  | 2022   | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014** | 2013** |
| Proportion of the net pension liability (asset)  | 0.1284598%   | 0.1425586% | 0.1459257% | 0.1515259% | 0.1498164% | 0.1496258% | 0.1546223% | 0.1565137% |        |        |
| Proportionate share of the net pension liability (asset)   | \$ (10,501)  | \$ 142     | \$ 38,642  | \$ 10,736  | \$ 4,835   | \$ 14,059  | \$ 24,817  | \$ 5,287   |        |        |
| Covered-employee payroll   | \$ 37,920  | \$ 37,537  | \$ 41,924  | \$ 41,494  | \$ 42,076  | \$ 43,056  | \$ 42,286  | \$ 41,497  |        |        |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -27.69%  | 0.38%      | 92.17%     | 11.49%     | 11.49%     | 32.65%     | 58.69%     | 12.74%     |        |        |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                       | 103.65%  | 99.95%     | 86.39%     | 96.27%     | 98.24%     | 94.70%     | 90.68%     | 97.90%     |        |        |

**NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |            |           |           |           |           |        |        |
|--|--|------------|------------|------------|-----------|-----------|-----------|-----------|--------|--------|
|  | 2022   | 2021       | 2020       | 2019       | 2018      | 2017      | 2016      | 2015      | 2014** | 2013** |
| Proportion of the net pension liability (asset)  | 1.8777079%   | 1.9581470% | 2.0404490% | 1.8935108% | 2.074932% | 2.073579% | 2.134004% | 2.004215% |        |        |
| Proportionate share of the net pension liability (asset)   | \$ 10,666  | \$ 33,999  | \$ 109,061 | \$ 31,755  | \$ 20,973 | \$ 42,978 | \$ 63,183 | \$ 5,517  |        |        |
| Covered-employee payroll   | \$ 80,741  | \$ 69,464  | \$ 71,697  | \$ 75,566  | \$ 71,067 | \$ 72,008 | \$ 73,152 | \$ 68,523 |        |        |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 13.21%   | 48.94%     | 152.11%    | 42.02%     | 29.51%    | 59.69%    | 86.37%    | 8.05%     |        |        |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                       | 98.66%   | 95.79%     | 84.86%     | 95.09%     | 96.90%    | 93.50%    | 90.24%    | 99.00%    |        |        |

**SURA:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |            |            |            |            |            |        |        |
|--|--|------------|------------|------------|------------|------------|------------|------------|--------|--------|
|  | 2022   | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014** | 2013** |
| Proportion of the net pension liability (asset)  | 0.0083605%   | 0.0099196% | 0.0011720% | 0.0129521% | 0.0135654% | 0.0131048% | 0.0127652% | 0.0152489% |        |        |
| Proportionate share of the net pension liability (asset)   | \$ (683)   | \$ 10      | \$ 3,104   | \$ 918     | \$ 438     | \$ 1,231   | \$ 2,049   | \$ 515     |        |        |
| Covered-employee payroll   | \$ 2,518   | \$ 2,858   | \$ 3,153   | \$ 3,547   | \$ 3,398   | \$ 3,266   | \$ 2,958   | \$ 3,298   |        |        |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -27.14%  | 0.35%      | 98.44%     | 25.87%     | 12.89%     | 37.69%     | 69.27%     | 15.62%     |        |        |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                       | 103.65%  | 99.95%     | 86.39%     | 96.27%     | 98.24%     | 94.70%     | 90.68%     | 97.90%     |        |        |

\*\*Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Contributions - Pension Plans (Unaudited)  
For the Year Ended June 30, 2022**

**CITY SCHOOL DISTRICT:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |           |           |           |           |           |           |           |        |        |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|--------|
|  | 2022   | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014** | 2013** |
| Contractually required contribution                                  | \$ 6,406   | \$ 6,148  | \$ 5,898  | \$ 5,984  | \$ 5,650  | \$ 5,409  | \$ 5,656  | \$ 5,817  |        |        |
| Contributions in relation to the contractually required contribution | 6,406  | 6,148     | 5,898     | 5,984     | 5,650     | 5,409     | 5,656     | 5,817     |        |        |
| Contribution deficiency (excess)                                     | \$ -   | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |        |        |
| Covered-employee payroll   | \$ 46,377  | \$ 43,185 | \$ 45,503 | \$ 43,581 | \$ 43,232 | \$ 39,296 | \$ 37,080 | \$ 33,468 |        |        |
| Contributions as a percentage of covered-employee payroll            | 13.81%   | 14.24%    | 12.96%    | 13.73%    | 13.07%    | 13.76%    | 15.25%    | 17.38%    |        |        |

**NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |            |            |            |            |            |            |            |        |        |
|--|--|------------|------------|------------|------------|------------|------------|------------|--------|--------|
|  | 2022   | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014** | 2013** |
| Contractually required contribution                                  | \$ 17,487  | \$ 17,250  | \$ 20,169  | \$ 18,028  | \$ 20,788  | \$ 23,283  | \$ 27,692  | \$ 25,734  |        |        |
| Contributions in relation to the contractually required contribution | 17,487   | 17,250     | 20,169     | 18,028     | 20,788     | 23,283     | 27,692     | 25,734     |        |        |
| Contribution deficiency (excess)                                     | \$ -   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |        |        |
| Covered-employee payroll   | \$ 205,791   | \$ 183,510 | \$ 194,699 | \$ 189,798 | \$ 177,373 | \$ 175,373 | \$ 157,918 | \$ 158,365 |        |        |
| Contributions as a percentage of covered-employee payroll            | 8.50%  | 9.40%      | 10.36%     | 9.50%      | 11.72%     | 13.28%     | 17.54%     | 16.25%     |        |        |

**CITY:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |           |           |           |           |           |           |           |        |        |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|--------|
|  | 2022   | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014** | 2013** |
| Contractually required contribution                                  | \$ 5,586   | \$ 5,722  | \$ 5,680  | \$ 5,905  | \$ 5,905  | \$ 6,156  | \$ 6,600  | \$ 7,523  |        |        |
| Contributions in relation to the contractually required contribution | 5,586  | 5,722     | 5,680     | 5,905     | 5,905     | 6,156     | 6,600     | 7,523     |        |        |
| Contribution deficiency (excess)                                     | \$ -   | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |        |        |
| Covered-employee payroll   | \$ 37,920  | \$ 37,537 | \$ 41,924 | \$ 41,494 | \$ 42,076 | \$ 43,056 | \$ 42,286 | \$ 41,497 |        |        |
| Contributions as a percentage of covered-employee payroll            | 14.73%   | 15.24%    | 13.55%    | 14.23%    | 14.03%    | 14.30%    | 15.61%    | 18.13%    |        |        |

**NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |           |           |           |           |           |           |           |        |        |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|--------|
|  | 2022   | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014** | 2013** |
| Contractually required contribution                                  | \$ 20,377  | \$ 18,038 | \$ 18,764 | \$ 17,400 | \$ 18,377 | \$ 18,918 | \$ 17,767 | \$ 17,777 |        |        |
| Contributions in relation to the contractually required contribution | 20,377   | 18,038    | 18,764    | 17,400    | 18,377    | 18,918    | 17,767    | 17,777    |        |        |
| Contribution deficiency (excess)                                     | \$ -   | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |        |        |
| Covered-employee payroll   | \$ 80,741  | \$ 69,464 | \$ 71,697 | \$ 75,566 | \$ 71,067 | \$ 72,008 | \$ 73,152 | \$ 68,523 |        |        |
| Contributions as a percentage of covered-employee payroll            | 25.24%   | 25.97%    | 26.17%    | 23.03%    | 25.86%    | 26.27%    | 24.29%    | 25.94%    |        |        |

**SURA:**

**NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN**

|  | Last 10 Fiscal Years (Dollar amounts displayed in thousands) |          |          |          |          |          |          |          |        |        |
|--|--|----------|----------|----------|----------|----------|----------|----------|--------|--------|
|  | 2022   | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     | 2014** | 2013** |
| Contractually required contribution                                  | \$ 356   | \$ 370   | \$ 430   | \$ 471   | \$ 484   | \$ 453   | \$ 427   | \$ 427   |        |        |
| Contributions in relation to the contractually required contribution | 356  | 370      | 430      | 471      | 484      | 453      | 427      | 427      |        |        |
| Contribution deficiency (excess)                                     | \$ -   | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     |        |        |
| Covered-employee payroll   | \$ 2,518   | \$ 2,858 | \$ 3,153 | \$ 3,547 | \$ 3,398 | \$ 3,266 | \$ 2,958 | \$ 3,298 |        |        |
| Contributions as a percentage of covered-employee payroll            | 14.12%   | 12.95%   | 13.64%   | 13.28%   | 14.24%   | 13.87%   | 14.44%   | 12.95%   |        |        |

\*\*Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022**

|  | Capital Projects<br>(Combined) | Debt Service<br>(Combined) | Permanent<br>Funds<br>(Combined) | Special Revenue<br>(Combined) | Total Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|----------------------------|----------------------------------|-------------------------------|---|
| <b>ASSETS</b>  |                                |                            |                                  |                               |   |
| Cash and cash equivalents  | \$ -                           | \$ -                       | \$ -                             | \$ 2,202,895                  | \$ 2,202,895                            |
| Restricted cash and cash equivalents                               | 20,558,594                     | 11,534,355                 | 27,043                           | 7,285,323                     | 39,405,315                              |
| Loans receivable   | -                              | -                          | -                                | 15,717,820                    | 15,717,820                              |
| Accounts receivable  | 167,428                        | 4,737,965                  | -                                | 37,411                        | 4,942,804                               |
| Other receivable   | -                              | -                          | -                                | 8,718                         | 8,718                                   |
| Taxes receivable, net  | -                              | -                          | -                                | 26,171                        | 26,171                                  |
| Due from other funds   | 9,671,056                      | 965,164                    | -                                | 3,837,899                     | 14,474,119                              |
| Due from other governments   | 16,218,779                     | -                          | -                                | 10,074,334                    | 26,293,113                              |
| Inventory  | -                              | -                          | -                                | 950,423                       | 950,423                                 |
| Prepays and other assets   | -                              | -                          | -                                | 24,876                        | 24,876                                  |
| Total assets   | <u>\$ 46,615,857</u>           | <u>\$ 17,237,484</u>       | <u>\$ 27,043</u>                 | <u>\$ 40,165,870</u>          | <u>\$ 104,046,254</u>                   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b> |                                |                            |                                  |                               |   |
| Liabilities:   |                                |                            |                                  |                               |   |
| Accounts payable and accrued expenses                              | \$ 4,400,062                   | \$ -                       | \$ -                             | \$ 2,253,542                  | \$ 6,653,604                            |
| Due to other funds   | 524,900                        | -                          | -                                | 8,308,415                     | 8,833,315                               |
| Due to other governments   | -                              | -                          | -                                | 428,181                       | 428,181                                 |
| Unearned revenue   | 989,490                        | -                          | -                                | 1,384,387                     | 2,373,877                               |
| Loans payable  | -                              | -                          | -                                | 15,567,820                    | 15,567,820                              |
| Other liabilities  | -                              | -                          | -                                | 25,693                        | 25,693                                  |
| Total liabilities  | <u>5,914,452</u>               | <u>-</u>                   | <u>-</u>                         | <u>27,968,038</u>             | <u>33,882,490</u>                       |
| Deferred inflows of resources:                                     |                                |                            |                                  |                               |   |
| Deferred inflows - unavailable revenue                             | -                              | <u>4,737,965</u>           | -                                | <u>172,373</u>                | <u>4,910,338</u>                        |
| Fund Balance:  |                                |                            |                                  |                               |   |
| Nonspendable   | -                              | -                          | 10,000                           | 960,502                       | 970,502                                 |
| Restricted   | 29,831,100                     | 12,499,519                 | 17,043                           | 10,709,214                    | 53,056,876                              |
| Committed  | <u>10,870,305</u>              | <u>-</u>                   | <u>-</u>                         | <u>355,743</u>                | <u>11,226,048</u>                       |
| Total fund balances  | <u>40,701,405</u>              | <u>12,499,519</u>          | <u>27,043</u>                    | <u>12,025,459</u>             | <u>65,253,426</u>                       |
| Total liabilities, deferred inflows of resources and fund balance  | <u>\$ 46,615,857</u>           | <u>\$ 17,237,484</u>       | <u>\$ 27,043</u>                 | <u>\$ 40,165,870</u>          | <u>\$ 104,046,254</u>                   |

CITY OF SYRACUSE, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended June 30, 2022

|   | Capital Projects<br>(Combined) | Debt Service<br>(Combined) | Permanent<br>Funds<br>(Combined) | Special Revenue<br>(Combined) | Total Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------|----------------------------|----------------------------------|-------------------------------|---|
| <b>REVENUES:</b>                                  |                                |                            |                                  |                               |   |
| General property taxes and tax items              | \$ -                           | \$ -                       | \$ -                             | \$ 2,963,755                  | \$ 2,963,755                            |
| Other local taxes                                 | -                              | 1,174,503                  | -                                | -                             | 1,174,503                               |
| Use of money and property                         | 17,883                         | 11,167                     | 3                                | 64                            | 29,117                                  |
| Sale of property and compensation for loss        | -                              | -                          | -                                | 3,015                         | 3,015                                   |
| Federal and state aid and other grants            | 22,262,891                     | -                          | -                                | 49,458,133                    | 71,721,024                              |
| Surplus food                                      | -                              | -                          | -                                | 1,123,869                     | 1,123,869                               |
| Sales-School Food Service Program                 | -                              | -                          | -                                | 68,202                        | 68,202                                  |
| Other revenues                                    | <u>773,178</u>                 | <u>-</u>                   | <u>-</u>                         | <u>737,372</u>                | <u>1,510,550</u>                        |
| Total revenues                                    | <u>23,053,952</u>              | <u>1,185,670</u>           | <u>3</u>                         | <u>54,354,410</u>             | <u>78,594,035</u>                       |
| <b>EXPENDITURES:</b>                              |                                |                            |                                  |                               |   |
| General government support                        | -                              | -                          | -                                | 5,058,224                     | 5,058,224                               |
| Public safety                                     | -                              | -                          | -                                | 2,506,151                     | 2,506,151                               |
| Transportation                                    | -                              | -                          | -                                | 2,443,193                     | 2,443,193                               |
| Economic opportunity and development              | -                              | -                          | -                                | 821,279                       | 821,279                                 |
| Home and community services                       | -                              | -                          | -                                | 24,454,491                    | 24,454,491                              |
| Culture and recreation                            | -                              | -                          | -                                | 376,961                       | 376,961                                 |
| Education   | -                              | -                          | -                                | 137,650                       | 137,650                                 |
| Principal debt payments                           | -                              | 19,683,115                 | -                                | -                             | 19,683,115                              |
| Interest on debt                                  | -                              | 4,943,108                  | -                                | -                             | 4,943,108                               |
| Capital outlays                                   | 45,053,450                     | -                          | -                                | 3,304,307                     | 48,357,757                              |
| Food Service Program                              | <u>-</u>                       | <u>-</u>                   | <u>-</u>                         | <u>14,982,101</u>             | <u>14,982,101</u>                       |
| Total expenditures                                | <u>45,053,450</u>              | <u>24,626,223</u>          | <u>-</u>                         | <u>54,084,357</u>             | <u>123,764,030</u>                      |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(21,999,498)</u>            | <u>(23,440,553)</u>        | <u>3</u>                         | <u>270,053</u>                | <u>(45,169,995)</u>                     |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                                |                            |                                  |                               |   |
| Bond proceeds                                     | 17,035,867                     | -                          | -                                | 3,631,578                     | 20,667,445                              |
| Bond proceeds from refunding bonds                | -                              | 5,540,000                  | -                                | -                             | 5,540,000                               |
| Premium on bonds                                  | -                              | 937,754                    | -                                | -                             | 937,754                                 |
| Premium on refunding bonds                        | -                              | 669,731                    | -                                | -                             | 669,731                                 |
| Payments to escrow agent                          | -                              | (6,209,731)                | -                                | -                             | (6,209,731)                             |
| Operating transfers in                            | 5,041,379                      | 24,678,391                 | -                                | -                             | 29,719,770                              |
| Operating transfers out                           | <u>(947,418)</u>               | <u>-</u>                   | <u>-</u>                         | <u>(863,518)</u>              | <u>(1,810,936)</u>                      |
| Total other financing sources (uses)              | <u>21,129,828</u>              | <u>25,616,145</u>          | <u>-</u>                         | <u>2,768,060</u>              | <u>49,514,033</u>                       |
| CHANGE IN FUND BALANCES                           | (869,670)                      | 2,175,592                  | 3                                | 3,038,113                     | 4,344,038                               |
| FUND BALANCE - beginning of year                  | <u>41,571,075</u>              | <u>10,323,927</u>          | <u>27,040</u>                    | <u>8,987,346</u>              | <u>60,909,388</u>                       |
| FUND BALANCE - end of year                        | <u>\$ 40,701,405</u>           | <u>\$ 12,499,519</u>       | <u>\$ 27,043</u>                 | <u>\$ 12,025,459</u>          | <u>\$ 65,253,426</u>                    |

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Capital Projects Funds  
June 30, 2022**

|                                       | City School<br>District | City                 | Total Capital<br>Projects Funds |
|---------------------------------------|-------------------------|----------------------|---------------------------------|
| <b>ASSETS</b>                         |                         |                      |                                 |
| Cash and cash equivalents             | \$ -                    | \$ -                 | \$ -                            |
| Restricted cash and cash equivalents  | -                       | 20,558,594           | 20,558,594                      |
| Accounts receivable                   | -                       | 167,428              | 167,428                         |
| Due from other funds                  | 9,671,056               | -                    | 9,671,056                       |
| Due from other governments            | 569,946                 | 15,648,833           | 16,218,779                      |
|                                       | <u>569,946</u>          | <u>15,648,833</u>    | <u>16,218,779</u>               |
| Total assets                          | <u>\$ 10,241,002</u>    | <u>\$ 36,374,855</u> | <u>\$ 46,615,857</u>            |
| <b>LIABILITIES AND FUND BALANCE</b>   |                         |                      |                                 |
| Liabilities:                          |                         |                      |                                 |
| Accounts payable and accrued expenses | \$ 968,496              | \$ 3,431,566         | \$ 4,400,062                    |
| Due to other funds                    | -                       | 524,900              | 524,900                         |
| Unearned revenue                      | -                       | 989,490              | 989,490                         |
|                                       | <u>968,496</u>          | <u>4,945,956</u>     | <u>5,914,452</u>                |
| Total liabilities                     | <u>968,496</u>          | <u>4,945,956</u>     | <u>5,914,452</u>                |
| Fund Balance:                         |                         |                      |                                 |
| Restricted                            | 9,272,506               | 20,558,594           | 29,831,100                      |
| Committed                             | -                       | 10,870,305           | 10,870,305                      |
|                                       | <u>9,272,506</u>        | <u>31,428,899</u>    | <u>40,701,405</u>               |
| Total fund balance                    | <u>9,272,506</u>        | <u>31,428,899</u>    | <u>40,701,405</u>               |
| Total liabilities and fund balance    | <u>\$ 10,241,002</u>    | <u>\$ 36,374,855</u> | <u>\$ 46,615,857</u>            |

CITY OF SYRACUSE, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Capital Projects Funds  
For the Year Ended June 30, 2022

|  | City School<br>District | City                 | Total Capital<br>Projects Funds |
|--|-------------------------|----------------------|---------------------------------|
| REVENUES:                                |                         |                      |                                 |
| Use of money and property                | \$ -                    | \$ 17,883            | \$ 17,883                       |
| Federal and state aid and other grants   | 338,881                 | 21,924,010           | 22,262,891                      |
| Other revenues                           | <u>-</u>                | <u>773,178</u>       | <u>773,178</u>                  |
| Total revenues                           | <u>338,881</u>          | <u>22,715,071</u>    | <u>23,053,952</u>               |
| EXPENDITURES:                            |                         |                      |                                 |
| Capital outlays                          | <u>2,965,352</u>        | <u>42,088,098</u>    | <u>45,053,450</u>               |
| Total expenditures                       | <u>2,965,352</u>        | <u>42,088,098</u>    | <u>45,053,450</u>               |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | <u>(2,626,471)</u>      | <u>(19,373,027)</u>  | <u>(21,999,498)</u>             |
| OTHER FINANCING SOURCES (USES):          |                         |                      |                                 |
| Bond proceeds                            | -                       | 17,035,867           | 17,035,867                      |
| Operating transfers in                   | 13,800                  | 5,027,579            | 5,041,379                       |
| Operating transfers out                  | <u>-</u>                | <u>(947,418)</u>     | <u>(947,418)</u>                |
| Total other financing sources - net      | <u>13,800</u>           | <u>21,116,028</u>    | <u>21,129,828</u>               |
| CHANGE IN FUND BALANCE                   | (2,612,671)             | 1,743,001            | (869,670)                       |
| FUND BALANCE - beginning of year         | <u>11,885,177</u>       | <u>29,685,898</u>    | <u>41,571,075</u>               |
| FUND BALANCE - end of year               | <u>\$ 9,272,506</u>     | <u>\$ 31,428,899</u> | <u>\$ 40,701,405</u>            |



**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Debt Service Funds  
June 30, 2022**

|   | City School<br>District | City                 | Total Debt<br>Service Funds |
|---|-------------------------|----------------------|-----------------------------|
| <b>ASSETS</b>   |                         |                      |                             |
| Restricted cash and cash equivalents                  | \$ -                    | \$ 11,534,355        | \$ 11,534,355               |
| Due from other funds                                  | 965,164                 | -                    | 965,164                     |
| Accounts receivable                                   | -                       | 4,737,965            | 4,737,965                   |
| <br>  |                         |                      |                             |
| Total assets  | <u>\$ 965,164</u>       | <u>\$ 16,272,320</u> | <u>\$ 17,237,484</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b> |                         |                      |                             |
| Deferred inflows of resources:                        |                         |                      |                             |
| Deferred inflows - unavailable revenue                | <u>\$ -</u>             | <u>\$ 4,737,965</u>  | <u>\$ 4,737,965</u>         |
| Fund Balance:   |                         |                      |                             |
| Restricted  | <u>965,164</u>          | <u>11,534,355</u>    | <u>12,499,519</u>           |
| <br>  |                         |                      |                             |
| Total deferred inflows of resources and fund balance  | <u>\$ 965,164</u>       | <u>\$ 16,272,320</u> | <u>\$ 17,237,484</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, 2022**

|   | City School<br>District | City                 | Total Debt<br>Service Funds |
|---|-------------------------|----------------------|-----------------------------|
| <b>REVENUES:</b>                            |                         |                      |                             |
| Other local taxes                           | \$ -                    | \$ 1,174,503         | \$ 1,174,503                |
| Use of money and property                   | <u>-</u>                | <u>11,167</u>        | <u>11,167</u>               |
| Total revenues                              | <u>-</u>                | <u>1,185,670</u>     | <u>1,185,670</u>            |
| <b>EXPENDITURES:</b>                        |                         |                      |                             |
| Principal debt payments                     | 4,092,000               | 15,591,115           | 19,683,115                  |
| Interest on debt                            | <u>798,922</u>          | <u>4,144,186</u>     | <u>4,943,108</u>            |
| Total expenditures                          | <u>4,890,922</u>        | <u>19,735,301</u>    | <u>24,626,223</u>           |
| DEFICIENCY OF REVENUES<br>OVER EXPENDITURES | <u>(4,890,922)</u>      | <u>(18,549,631)</u>  | <u>(23,440,553)</u>         |
| <b>OTHER FINANCING SOURCES:</b>             |                         |                      |                             |
| Bond proceeds from refunding bonds          | 92,000                  | 5,448,000            | 5,540,000                   |
| Premium on bonds                            | -                       | 937,754              | 937,754                     |
| Premium on refunding bonds                  | -                       | 669,731              | 669,731                     |
| Payments to escrow agent                    | (92,000)                | (6,117,731)          | (6,209,731)                 |
| Operating transfers in                      | <u>4,890,922</u>        | <u>19,787,469</u>    | <u>24,678,391</u>           |
| Total other financing sources               | <u>4,890,922</u>        | <u>20,725,223</u>    | <u>25,616,145</u>           |
| CHANGE IN FUND BALANCE                      | -                       | 2,175,592            | 2,175,592                   |
| FUND BALANCE - beginning of year            | <u>965,164</u>          | <u>9,358,763</u>     | <u>10,323,927</u>           |
| FUND BALANCE - end of year                  | <u>\$ 965,164</u>       | <u>\$ 11,534,355</u> | <u>\$ 12,499,519</u>        |

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Permanent Funds  
June 30, 2022**

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|                                      | City School<br>District     | City                        | Total Permanent<br>Funds    |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                      | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| <b>ASSETS</b>                        |                             |                             |                             |
| Restricted cash and cash equivalents | \$ 17,043                   | \$ 10,000                   | \$ 27,043                   |
| Total assets                         | <u>\$ 17,043</u>            | <u>\$ 10,000</u>            | <u>\$ 27,043</u>            |
| <b>FUND BALANCE</b>                  |                             |                             |                             |
| Nonspendable                         | \$ -                        | \$ 10,000                   | \$ 10,000                   |
| Restricted                           | <u>17,043</u>               | <u>-</u>                    | <u>17,043</u>               |
| Total fund balances                  | <u>\$ 17,043</u>            | <u>\$ 10,000</u>            | <u>\$ 27,043</u>            |

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Permanent Funds  
For the Year Ended June 30, 2022**

|                                  | City School<br>District | City             | Total Permanent<br>Funds |
|----------------------------------|-------------------------|------------------|--------------------------|
| REVENUES:                        |                         |                  |                          |
| Use of money and property        | \$ 3                    | \$ -             | \$ 3                     |
| Total revenues                   | <u>3</u>                | <u>-</u>         | <u>3</u>                 |
| EXPENDITURES:                    |                         |                  |                          |
| General government support       | <u>-</u>                | <u>-</u>         | <u>-</u>                 |
| Total expenditures               | <u>-</u>                | <u>-</u>         | <u>-</u>                 |
| CHANGE IN FUND BALANCE           | 3                       | -                | 3                        |
| FUND BALANCE - beginning of year | <u>17,040</u>           | <u>10,000</u>    | <u>27,040</u>            |
| FUND BALANCE - end of year       | <u>\$ 17,043</u>        | <u>\$ 10,000</u> | <u>\$ 27,043</u>         |

CITY OF SYRACUSE, NEW YORK

Combining Balance Sheet - Special Revenue Funds  
June 30, 2022

|  | Neighborhood<br>& Business<br>Development | Special<br>Grants   | Special<br>Assessment<br>Districts | Oil & Flushing    | Sidewalk            | Syracuse Urban<br>Renewal | School Food<br>Service | Miscellaneous<br>Special<br>Revenue | Miscellaneous<br>Trusts<br>(Combined) | Total Special<br>Revenue Funds |
|--|---|---------------------|------------------------------------|-------------------|---------------------|---------------------------|------------------------|-------------------------------------|---------------------------------------|--------------------------------|
| <b>ASSETS</b>  |   |                     |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| Cash and cash equivalents  | \$ -                                      | \$ -                | \$ 396,485                         | \$ -              | \$ -                | \$ 1,806,410              | \$ -                   | \$ -                                | \$ -                                  | \$ 2,202,895                   |
| Restricted cash and cash equivalents                                     | 1,710,706                                 | 596,120             | -                                  | 192,835           | 3,000,000           | 19,104                    | -                      | 136,692                             | 1,629,866                             | 7,285,323                      |
| Loans receivable   | 15,567,820                                | -                   | -                                  | -                 | -                   | 150,000                   | -                      | -                                   | -                                     | 15,717,820                     |
| Accounts receivable  | 1,282                                     | 35,669              | 460                                | -                 | -                   | -                         | -                      | -                                   | -                                     | 37,411                         |
| Other receivable   | -   | -                   | -                                  | -                 | -                   | -                         | 6,304                  | 2,414                               | -                                     | 8,718                          |
| Taxes receivable, net  | -   | -                   | 26,171                             | -                 | -                   | -                         | -                      | -                                   | -                                     | 26,171                         |
| Due from other funds   | -   | -                   | -                                  | -                 | -                   | 1,340,674                 | 2,497,225              | -                                   | -                                     | 3,837,899                      |
| Due from other governments   | 965,862                                   | 4,646,729           | -                                  | -                 | -                   | 127,384                   | 4,334,359              | -                                   | -                                     | 10,074,334                     |
| Inventory  | -   | -                   | -                                  | -                 | -                   | -                         | 950,423                | -                                   | -                                     | 950,423                        |
| Prepays and other assets   | -   | -                   | -                                  | -                 | -                   | 14,797                    | 10,079                 | -                                   | -                                     | 24,876                         |
| <b>Total assets</b>  | <b>\$ 18,245,670</b>                      | <b>\$ 5,278,518</b> | <b>\$ 423,116</b>                  | <b>\$ 192,835</b> | <b>\$ 3,000,000</b> | <b>\$ 3,458,369</b>       | <b>\$ 7,798,390</b>    | <b>\$ 139,106</b>                   | <b>\$ 1,629,866</b>                   | <b>\$ 40,165,870</b>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>       |   |                     |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| Liabilities:   |   |                     |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| Accounts payable and accrued expenses                                    | \$ 904,066                                | \$ 326,843          | \$ 45,000                          | \$ 31,410         | \$ -                | \$ 7,132                  | \$ 867,381             | \$ 1,526                            | \$ 70,184                             | \$ 2,253,542                   |
| Due to other funds   | 914,102                                   | 4,366,307           | -                                  | -                 | -                   | 3,028,006                 | -                      | -                                   | -                                     | 8,308,415                      |
| Due to other governments   | 54,074                                    | -                   | -                                  | -                 | -                   | -                         | 374,107                | -                                   | -                                     | 428,181                        |
| Unearned revenue   | 779,915                                   | 585,368             | -                                  | -                 | -                   | 19,104                    | -                      | -                                   | -                                     | 1,384,387                      |
| Loans payable  | 15,567,820                                | -                   | -                                  | -                 | -                   | -                         | -                      | -                                   | -                                     | 15,567,820                     |
| Other liabilities  | 25,693                                    | -                   | -                                  | -                 | -                   | -                         | -                      | -                                   | -                                     | 25,693                         |
| <b>Total liabilities</b>   | <b>18,245,670</b>                         | <b>5,278,518</b>    | <b>45,000</b>                      | <b>31,410</b>     | <b>-</b>            | <b>3,054,242</b>          | <b>1,241,488</b>       | <b>1,526</b>                        | <b>70,184</b>                         | <b>27,968,038</b>              |
| Deferred inflows of resources:   |   |                     |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| Deferred inflows - unavailable Revenue                                   | -   | -                   | 22,373                             | -                 | -                   | 150,000                   | -                      | -                                   | -                                     | 172,373                        |
| Fund Balance:  |   |                     |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| Nonspendable   | -   | -                   | -                                  | -                 | -                   | -                         | 960,502                | -                                   | -                                     | 960,502                        |
| Restricted   | -   | -                   | -                                  | 161,425           | 3,000,000           | 254,127                   | 5,596,400              | 137,580                             | 1,559,682                             | 10,709,214                     |
| Committed  | -   | -                   | 355,743                            | -                 | -                   | -                         | -                      | -                                   | -                                     | 355,743                        |
| <b>Total fund balance</b>  | <b>-</b>                                  | <b>-</b>            | <b>355,743</b>                     | <b>161,425</b>    | <b>3,000,000</b>    | <b>254,127</b>            | <b>6,556,902</b>       | <b>137,580</b>                      | <b>1,559,682</b>                      | <b>12,025,459</b>              |
| <b>Total liabilities, deferred inflows of resources and fund balance</b> | <b>\$ 18,245,670</b>                      | <b>\$ 5,278,518</b> | <b>\$ 423,116</b>                  | <b>\$ 192,835</b> | <b>\$ 3,000,000</b> | <b>\$ 3,458,369</b>       | <b>\$ 7,798,390</b>    | <b>\$ 139,106</b>                   | <b>\$ 1,629,866</b>                   | <b>\$ 40,165,870</b>           |

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Special Revenue Funds  
For the Year Ended June 30, 2022**

|  | Neighborhood<br>& Business<br>Development | Special<br>Grants | Special<br>Assessment<br>Districts | Oil & Flushing    | Sidewalk            | Syracuse Urban<br>Renewal | School Food<br>Service | Miscellaneous<br>Special<br>Revenue | Miscellaneous<br>Trusts<br>(Combined) | Total Special<br>Revenue Funds |
|--|---|-------------------|------------------------------------|-------------------|---------------------|---------------------------|------------------------|-------------------------------------|---------------------------------------|--------------------------------|
| <b>REVENUES:</b>   |   |                   |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| General property taxes and tax items                         | \$ -                                      | \$ -              | \$ 1,059,098                       | \$ 1,904,657      | \$ -                | \$ -                      | \$ -                   | \$ -                                | \$ -                                  | \$ 2,963,755                   |
| Use of money and property                                    | -   | -                 | -                                  | -                 | -                   | -                         | 1                      | -                                   | 63                                    | 64                             |
| Sale of property and compensation for loss                   | -   | -                 | -                                  | -                 | -                   | -                         | 3,015                  | -                                   | -                                     | 3,015                          |
| Federal and state aid and other grants                       | 10,655,859                                | 20,960,406        | -                                  | -                 | 3,304,307           | -                         | 14,537,561             | -                                   | -                                     | 49,458,133                     |
| Surplus food   | -   | -                 | -                                  | -                 | -                   | -                         | 1,123,869              | -                                   | -                                     | 1,123,869                      |
| Sales-School Food Service Program                            | -   | -                 | -                                  | -                 | -                   | -                         | 68,202                 | -                                   | -                                     | 68,202                         |
| Other revenues   | 2,050                                     | -                 | -                                  | -                 | -                   | 276,906                   | -                      | 142,950                             | 315,466                               | 737,372                        |
| <b>Total revenues</b>  | <b>10,657,909</b>                         | <b>20,960,406</b> | <b>1,059,098</b>                   | <b>1,904,657</b>  | <b>3,304,307</b>    | <b>276,906</b>            | <b>15,732,648</b>      | <b>142,950</b>                      | <b>315,529</b>                        | <b>54,354,410</b>              |
| <b>EXPENDITURES:</b>   |   |                   |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| General government support                                   | -   | 3,923,386         | 1,134,838                          | -                 | -                   | -                         | -                      | -                                   | -                                     | 5,058,224                      |
| Public safety  | -   | 2,329,087         | -                                  | -                 | -                   | -                         | -                      | -                                   | 177,064                               | 2,506,151                      |
| Transportation   | -   | -                 | -                                  | 2,443,193         | -                   | -                         | -                      | -                                   | -                                     | 2,443,193                      |
| Economic opportunity and development                         | -   | 534,390           | -                                  | -                 | -                   | 286,889                   | -                      | -                                   | -                                     | 821,279                        |
| Home and community services                                  | 10,657,909                                | 13,796,582        | -                                  | -                 | -                   | -                         | -                      | -                                   | -                                     | 24,454,491                     |
| Culture and recreation                                       | -   | 376,961           | -                                  | -                 | -                   | -                         | -                      | -                                   | -                                     | 376,961                        |
| Education  | -   | -                 | -                                  | -                 | -                   | -                         | -                      | 137,650                             | -                                     | 137,650                        |
| Capital outlays  | -   | -                 | -                                  | -                 | 3,304,307           | -                         | -                      | -                                   | -                                     | 3,304,307                      |
| Food Service Program   | -   | -                 | -                                  | -                 | -                   | -                         | 14,982,101             | -                                   | -                                     | 14,982,101                     |
| <b>Total expenditures</b>                                    | <b>10,657,909</b>                         | <b>20,960,406</b> | <b>1,134,838</b>                   | <b>2,443,193</b>  | <b>3,304,307</b>    | <b>286,889</b>            | <b>14,982,101</b>      | <b>137,650</b>                      | <b>177,064</b>                        | <b>54,084,357</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>-</b>                                  | <b>-</b>          | <b>(75,740)</b>                    | <b>(538,536)</b>  | <b>-</b>            | <b>(9,983)</b>            | <b>750,547</b>         | <b>5,300</b>                        | <b>138,465</b>                        | <b>270,053</b>                 |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |   |                   |                                    |                   |                     |                           |                        |                                     |                                       |                                |
| Bond proceeds  | -   | -                 | -                                  | 631,578           | 3,000,000           | -                         | -                      | -                                   | -                                     | 3,631,578                      |
| Operating transfers out                                      | -   | -                 | -                                  | (112,971)         | -                   | -                         | (750,547)              | -                                   | -                                     | (863,518)                      |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>                                  | <b>-</b>          | <b>-</b>                           | <b>518,607</b>    | <b>3,000,000</b>    | <b>-</b>                  | <b>(750,547)</b>       | <b>-</b>                            | <b>-</b>                              | <b>2,768,060</b>               |
| <b>CHANGE IN FUND BALANCE</b>                                | <b>-</b>                                  | <b>-</b>          | <b>(75,740)</b>                    | <b>(19,929)</b>   | <b>3,000,000</b>    | <b>(9,983)</b>            | <b>-</b>               | <b>5,300</b>                        | <b>138,465</b>                        | <b>3,038,113</b>               |
| <b>FUND BALANCE - beginning of year</b>                      | <b>-</b>                                  | <b>-</b>          | <b>431,483</b>                     | <b>181,354</b>    | <b>-</b>            | <b>264,110</b>            | <b>6,556,902</b>       | <b>132,280</b>                      | <b>1,421,217</b>                      | <b>8,987,346</b>               |
| <b>FUND BALANCE - end of year</b>                            | <b>\$ -</b>                               | <b>\$ -</b>       | <b>\$ 355,743</b>                  | <b>\$ 161,425</b> | <b>\$ 3,000,000</b> | <b>\$ 254,127</b>         | <b>\$ 6,556,902</b>    | <b>\$ 137,580</b>                   | <b>\$ 1,559,682</b>                   | <b>\$ 12,025,459</b>           |

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Miscellaneous Trust Funds  
June 30, 2022**

|                                       | Police Trust      | Parks Trusts      | Fire Trust        | General Government Trusts | Francis Hendricks | Police State Seizures | Police Federal Seizures | Total Miscellaneous Trust Funds |
|---------------------------------------|-------------------|-------------------|-------------------|---------------------------|-------------------|-----------------------|-------------------------|---------------------------------|
| <b>ASSETS</b>                         |                   |                   |                   |                           |                   |                       |                         |                                 |
| Restricted cash and cash equivalents  | \$ 190,459        | \$ 213,523        | \$ 136,718        | \$ 70,316                 | \$ 577            | \$ 228,208            | \$ 790,065              | \$ 1,629,866                    |
| Total assets                          | <u>\$ 190,459</u> | <u>\$ 213,523</u> | <u>\$ 136,718</u> | <u>\$ 70,316</u>          | <u>\$ 577</u>     | <u>\$ 228,208</u>     | <u>\$ 790,065</u>       | <u>\$ 1,629,866</u>             |
| <b>LIABILITIES AND FUND BALANCE</b>   |                   |                   |                   |                           |                   |                       |                         |                                 |
| Liabilities:                          |                   |                   |                   |                           |                   |                       |                         |                                 |
| Accounts payable and accrued expenses | \$ -              | \$ -              | \$ -              | \$ -                      | \$ -              | \$ -                  | \$ 70,184               | \$ 70,184                       |
| Total liabilities                     | -                 | -                 | -                 | -                         | -                 | -                     | 70,184                  | 70,184                          |
| Fund Balance:                         |                   |                   |                   |                           |                   |                       |                         |                                 |
| Restricted                            | 190,459           | 213,523           | 136,718           | 70,316                    | 577               | 228,208               | 719,881                 | 1,559,682                       |
| Total liabilities and fund balance    | <u>\$ 190,459</u> | <u>\$ 213,523</u> | <u>\$ 136,718</u> | <u>\$ 70,316</u>          | <u>\$ 577</u>     | <u>\$ 228,208</u>     | <u>\$ 790,065</u>       | <u>\$ 1,629,866</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, 2022**

|                                  | Police Trust      | Parks Trusts      | Fire Trust        | General<br>Government<br>Trusts | Francis<br>Hendricks | Police State<br>Seizures | Police Federal<br>Seizures | Total<br>Miscellaneous<br>Trust Funds |
|----------------------------------|-------------------|-------------------|-------------------|---------------------------------|----------------------|--------------------------|----------------------------|---------------------------------------|
| <b>REVENUES:</b>                 |                   |                   |                   |                                 |                      |                          |                            |                                       |
| Use of money and property        | \$ -              | \$ -              | \$ -              | \$ -                            | \$ 1                 | \$ 21                    | \$ 41                      | \$ 63                                 |
| Other revenues                   | <u>23,423</u>     | <u>124,500</u>    | <u>-</u>          | <u>-</u>                        | <u>-</u>             | <u>61,391</u>            | <u>106,152</u>             | <u>315,466</u>                        |
| Total revenues                   | <u>23,423</u>     | <u>124,500</u>    | <u>-</u>          | <u>-</u>                        | <u>1</u>             | <u>61,412</u>            | <u>106,193</u>             | <u>315,529</u>                        |
| <b>EXPENDITURES:</b>             |                   |                   |                   |                                 |                      |                          |                            |                                       |
| Public safety                    | 84,082            | -                 | -                 | -                               | -                    | 15,298                   | 77,684                     | 177,064                               |
| Culture and recreation           | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                        | <u>-</u>             | <u>-</u>                 | <u>-</u>                   | <u>-</u>                              |
| Total expenditures               | <u>84,082</u>     | <u>-</u>          | <u>-</u>          | <u>-</u>                        | <u>-</u>             | <u>15,298</u>            | <u>77,684</u>              | <u>177,064</u>                        |
| CHANGE IN FUND BALANCE           | (60,659)          | 124,500           | -                 | -                               | 1                    | 46,114                   | 28,509                     | 138,465                               |
| FUND BALANCE - beginning of year | <u>251,118</u>    | <u>89,023</u>     | <u>136,718</u>    | <u>70,316</u>                   | <u>576</u>           | <u>182,094</u>           | <u>691,372</u>             | <u>1,421,217</u>                      |
| FUND BALANCE - end of year       | <u>\$ 190,459</u> | <u>\$ 213,523</u> | <u>\$ 136,718</u> | <u>\$ 70,316</u>                | <u>\$ 577</u>        | <u>\$ 228,208</u>        | <u>\$ 719,881</u>          | <u>\$ 1,559,682</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***

March 24, 2023

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council:

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, 2022, 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 March 24, 2023. 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.

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**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***

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

**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 of Syracuse, New York’s Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City’s response to the finding 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 response.

**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**

March 24, 2023

To the Honorable Mayor, Ben Walsh  
and the Members of the Common Council:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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, 2022. 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.

In our opinion, 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 each of its major federal programs for the year ended June 30, 2022.

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, 2022. 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 applicable.

***Basis for Opinion on Each Major Federal Program***

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.

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

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 opinion 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.

### ***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 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.

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.

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

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.

### **Report on Internal Control Over Compliance**

*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. *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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, 2022**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u>     | <u>Assistance Listing</u> | <u>Grant Identifying Number</u> | <u>Agency or Pass-Through Number</u> | <u>Federal Expenditures</u> | <u>Provided to Subrecipients</u> |
|---|---------------------------|---------------------------------|--------------------------------------|-----------------------------|----------------------------------|
| <b>U.S. Department of Housing and Urban Development</b>       |                           |                                 |                                      |                             |                                  |
| Direct:   |                           |                                 |                                      |                             |                                  |
| Community Development Block Grants/Entitlement Grants:        |                           |                                 |                                      |                             |                                  |
|   | 14.218                    | B-16-MC-36-0108                 | N/A                                  | \$ 108,356                  |                                  |
|   | 14.218                    | B-17-MC-36-0108                 | N/A                                  | 1,644                       |                                  |
|   | 14.218                    | B-18-MC-36-0108                 | N/A                                  | 63,529                      |                                  |
|   | 14.218                    | B-19-MC-36-0108                 | N/A                                  | 838                         |                                  |
|   | 14.218                    | B-20-MC-36-0108                 | N/A                                  | 652,487                     |                                  |
|   | 14.218                    | B-21-MC-36-0108                 | N/A                                  | 4,225,173                   |                                  |
| COVID-19: Community Development Block Grants                  | 14.218                    | COVID-19 - B-20-MW-36-0108      | N/A                                  | <u>1,445,632</u>            |                                  |
| Total Community Development Block Grants/Entitlement Grants   |                           |                                 |                                      | <u>6,497,659</u>            | <u>4,892,395</u>                 |
| Emergency Solutions Grant Program:                            |                           |                                 |                                      |                             |                                  |
|   | 14.231                    | E-20-MC-36-0108                 | N/A                                  | 449,103                     |                                  |
| COVID-19: Emergency Solutions Grant Program                   | 14.231                    | COVID-19 - E-20-MW-36-0108      | N/A                                  | <u>1,634,001</u>            |                                  |
| Total Emergency Solutions Grant Program                       |                           |                                 |                                      | <u>2,083,104</u>            | <u>1,780,138</u>                 |
| Lead-Based Paint Hazard Control in Privately-Owned Housing:   |                           |                                 |                                      |                             |                                  |
|   | 14.900                    | NYLHB0695-18                    | N/A                                  | <u>500,764</u>              |                                  |
| Home Investment Partnerships Program:                         |                           |                                 |                                      |                             |                                  |
|   | 14.239                    | M-16-MC-360505                  | N/A                                  | 75,000                      |                                  |
|   | 14.239                    | M-18-MC-360505                  | N/A                                  | 70,000                      |                                  |
|   | 14.239                    | M-20-MC-360505                  | N/A                                  | 1,189,037                   |                                  |
|   | 14.239                    | M-21-MC-360505                  | N/A                                  | <u>242,345</u>              |                                  |
| Total Home Investment Partnerships Program                    |                           |                                 |                                      | <u>1,576,382</u>            | <u>1,513,231</u>                 |
| <b>Total U.S. Department of Housing and Urban Development</b> |                           |                                 |                                      | <u>10,657,909</u>           |                                  |
| <b>U.S. Department of Justice</b>                             |                           |                                 |                                      |                             |                                  |
| Direct:   |                           |                                 |                                      |                             |                                  |
| 17/20 Strategies for Policing                                 | 16.738                    | 2017-DJ-BX-0274                 | N/A                                  | <u>68,294</u>               |                                  |
| COVID-19: Coronavirus ESF                                     | 16.034                    | 2020-VD-BX-1494                 | N/A                                  | <u>251,304</u>              |                                  |
| <b>Total U.S. Department of Justice</b>                       |                           |                                 |                                      | <u>319,598</u>              |                                  |

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

| <u>Federal Grantor/Pass-through Grantor/Program Title</u> | <u>Assistance Listing</u> | <u>Grant Identifying Number</u> | <u>Agency or Pass-Through Number</u> | <u>Federal Expenditures</u> | <u>Provided to Subrecipients</u> |
|---|---------------------------|---------------------------------|--------------------------------------|-----------------------------|----------------------------------|
| <b>U.S. Department of Transportation</b>                  |                           |                                 |                                      |                             |                                  |
| Passed-through NYS Department of Transportation:          |                           |                                 |                                      |                             |                                  |
| Highway Planning and Construction Cluster:                |                           |                                 |                                      |                             |                                  |
| Traffic Control Center Ops                                | 20.205                    | 375684                          | 1000002582                           | 400,176                     |                                  |
| N, S, E, W Interconnect                                   | 20.205                    | 375479                          | 1000002582                           | 73,474                      |                                  |
| Downtown Mill & Pave (South Salina Street)                | 20.205                    | 375606                          | 1000002582                           | 2,643,302                   |                                  |
| Downtown Mill & Pave                                      | 20.205                    | 375625                          | 1000002582                           | 3,174,189                   |                                  |
| Creekwalk Phase II  | 20.205                    | 375514                          | 1000002582                           | 41,760                      |                                  |
| Teall Avenue Resurfacing                                  | 20.205                    | 375586                          | 1000002582                           | 592                         |                                  |
| City Element Spec Bridge Repairs                          | 20.205                    | 375519                          | 1000002582                           | 186                         |                                  |
| Hiawatha Boulevard Bridge Sidewalk                        | 20.205                    | 375584                          | 1000002582                           | 2,094                       |                                  |
| 17/18 Solar St/Hiawatha Blvd Improvement                  | 20.205                    | 375626                          | 1000002582                           | 1,234,541                   |                                  |
| Onondaga Street over Onondaga Creek                       | 20.205                    | 375639                          | 1000002582                           | 1,287                       |                                  |
| Connective Corridor - University Avenue Recon             | 20.205                    | 375634                          | 1000002582                           | 465                         |                                  |
| 20/21 E. Colvin St. Paving TIP #                          | 20.205                    | 375682                          | 1000002582                           | 244,913                     |                                  |
| 19/20 PSAP Project  | 20.205                    | 375649                          | 1000002582                           | 83,191                      |                                  |
| 18/19 W. Colvin St. Bridge Rehab                          | 20.205                    | 375657                          | 1000002582                           | 475,978                     |                                  |
| 19/20 E. Brighton Avenue Bridge                           | 20.205                    | 375651                          | 1000002582                           | 640,544                     |                                  |
| 19/20 W. Genesee Street Road Improvement                  | 20.205                    | 375624                          | 1000002582                           | 247,824                     |                                  |
| Creekwalk Maint. Bridge/Creekwalk Improve                 | 20.205                    | 395074                          | 1000002582                           | <u>105,301</u>              |                                  |
| Total Highway Planning and Construction Cluster           |                           |                                 |                                      | <u>9,369,817</u>            |                                  |
| <b>Total U.S. Department of Transportation</b>            |                           |                                 |                                      | <u>9,369,817</u>            |                                  |

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

| Federal Grantor/Pass-through Grantor/Program Title                        | Assistance<br>Listing | Grant Identifying Number | Agency or<br>Pass-Through<br>Number | Federal<br>Expenditures | Provided to<br>Subrecipients |
|---|-----------------------|--------------------------|-------------------------------------|-------------------------|------------------------------|
| <b>U.S. Department of the Interior</b>                                    |                       |                          |                                     |                         |                              |
| Direct:   |                       |                          |                                     |                         |                              |
| Natural Resource Damage Assessment and Restoration:                       |                       |                          |                                     |                         |                              |
| Creekwalk Riparian  | 15.658                | F20AC00292               | N/A                                 | 95,202                  |                              |
| 20/21 OnCreek Kay/Canoe Launch  | 15.568                | F20AC10336-00            | N/A                                 | 38,372                  |                              |
| Total Natural Resource Damage Assessment and Restoration                  |                       |                          |                                     | <u>133,574</u>          |                              |
| Passed-through NYS Office of Parks, Recreation and Historic Preservation: |                       |                          |                                     |                         |                              |
| Comp Reconnaissance Svy Phas 3  | 15.904                | PRK01-T62007GG-1290000   | N/A                                 | 10,038                  |                              |
| <b>Total U.S. Department of the Interior</b>                              |                       |                          |                                     | <u>143,612</u>          |                              |
| <b>U.S. Department of Homeland Security</b>                               |                       |                          |                                     |                         |                              |
| Direct:   |                       |                          |                                     |                         |                              |
| Assistance to Firefighters Grant:   |                       |                          |                                     |                         |                              |
| FEMA, AFG 2019  | 97.044                | EMW-2019-FG-03281        | N/A                                 | 149,934                 |                              |
| FEMA, AFG 2020  | 97.044                | EMW-2020-FG-11522        | N/A                                 | 70,808                  |                              |
| COVID-19: FY20 AFG-S  | 97.044                | EMW-2020-FG-00787        | N/A                                 | 10,569                  |                              |
| Total Assistance to Firefighters Grant                                    |                       |                          |                                     | <u>231,311</u>          |                              |
| FEMA, 2020 SAFER Program  | 97.083                | EMW-2020-FF-00730        | N/A                                 | 356,850                 |                              |
| Passed-through NYS Office of Homeland Security:                           |                       |                          |                                     |                         |                              |
| Homeland Security Grant Program:  |                       |                          |                                     |                         |                              |
| SHSP 2018   | 97.067                | WM2018 SHSP              | N/A                                 | 3,215                   |                              |
| SHSP 2020   | 97.067                | WM20152900               | N/A                                 | 22,674                  |                              |
| 2021 Homeland Security (SHSP)   | 97.067                | WM21152910               | N/A                                 | 97,524                  |                              |
| DHES FY2019 Critical Infrastr   | 97.067                | WM19834591               | N/A                                 | 47,226                  |                              |
| 2018/21Bomb Squad Grant   | 97.067                | BS18-1011-D00            | N/A                                 | 20,595                  |                              |
| 2017-20 Bomb Squad Grant  | 97.067                | WM15176551               | N/A                                 | 2,325                   |                              |
| FY18 Critical Infrastructure  | 97.067                | WM18152988               | N/A                                 | 25,000                  |                              |
| DHSES FY2019 BOMB SQUAD   | 97.067                | WM19152990               | N/A                                 | 56,167                  |                              |
| Total Homeland Security Grant Program                                     |                       |                          |                                     | <u>274,726</u>          |                              |
| <b>Total U.S. Department of Homeland Security</b>                         |                       |                          |                                     | <u>862,887</u>          |                              |
| <b>U.S. Department of Treasury</b>  |                       |                          |                                     |                         |                              |
| Direct:   |                       |                          |                                     |                         |                              |
| COVID-19: Coronavirus State and Local Fiscal Recovery Fund                | 21.027                | ARPA                     | N/A                                 | 44,779,361              |                              |
| <b>Total U.S. Department of Treasury</b>                                  |                       |                          |                                     | <u>44,779,361</u>       |                              |
| <b>Total Expenditures of Federal Awards</b>                               |                       |                          |                                     | <u>\$ 66,133,184</u>    |                              |

The accompanying notes are an integral part of these statements.



## **CITY OF SYRACUSE, NEW YORK**

### **Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022**

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#### **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 10 percent *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, 2022**

---

**Part I Summary of Auditor's Results**

**Financial Statements**

Type of independent 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: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)  Yes  No

Identification of major programs:

| <u>AL Number</u> | <u>Program Title</u>                              |
|------------------|---|
| 14.231           | Emergency Solutions Grants Program                |
| 21.027           | Coronavirus State and Local Fiscal Recovery Funds |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,983,996

The City was not considered a low-risk auditee for the year ended June 30, 2022.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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**Part II Financial Statement Findings**

**Reference Number: 2022-001**

**Financial Reporting**

**Criteria:**

Internal controls over financial reporting should be properly designed, implemented and monitored to ensure all material transactions are recorded in accordance with generally accepted accounting principles.

**Cause/Condition:**

The City did not have a sufficient process in place to accurately record necessary year-end adjustments as part of its financial close process. This includes such transactions as accrued payroll, accounts payable, balances related to pensions, recording and amortization of deferred balances from refundings and bond premiums, recording adjustments to construction in progress, adjusting estimates of allowances for uncollectible receivables, and matching grant revenues to reimbursable expenditures.

**Effect:**

Misstatements were identified and corrected as part of the audit. Totals of corrected misstatements in each opinion unit are summarized as follows:

| <b>Opinion Unit:</b>                 | <b>Increase / (Decrease)</b> |                          |                    |                 |                               |
|--------------------------------------|------------------------------|--------------------------|--------------------|-----------------|-------------------------------|
|                                      | <b>Assets</b>                | <b>Deferred Outflows</b> | <b>Liabilities</b> | <b>Revenues</b> | <b>Expenses/ Expenditures</b> |
| Governmental Activities              | \$ 2,756,964                 | \$ 914,342               | \$ 2,119,111       | \$ 1,748,693    | \$ 196,498                    |
| Business-Type Activities             | 642,790                      | 71,571                   | (9,291)            | (195,207)       | (918,859)                     |
| Water Fund                           | 1,058,178                    | 71,571                   | (9,291)            | 42,645          | (1,096,395)                   |
| Sewer Fund                           | (415,388)                    | -                        | -                  | (237,852)       | 177,536                       |
| General Fund                         | -                            | -                        | 448,130            | -               | 448,130                       |
| Aggregate Remaining Fund Information | 2,075,473                    | 914,342                  | 1,670,981          | 1,748,693       | 429,859                       |

**Recommendation:**

The City should ensure processes and resources are in place to allow for a timely and accurate financial close process and proper recording of transactions and adjustments at year end.

**Response:**

The City is in the process of filling multiple key vacancies in the accounting department which will allow us to return to a more robust reporting schedule so that all entries can be made in a timely manner in accordance with Generally Accepted Accounting Principles.

**Part III Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs that were required to be reported under the Uniform Guidance.

# CASE STUDY ON MUNICIPAL BROADBAND



- Syracuse Broadband Program Goals
- Community Broadband Networks
  - Overview
  - Proposed Solution
  - Subscriber Outreach and Onboarding
  - Deployment Update
- Ensuring Affordable Broadband



Thomas Magg  
President

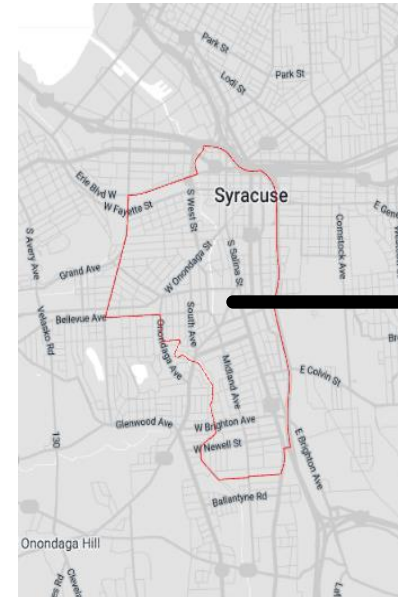
Community Broadband Networks – America  
tom@cbn-america.com  
631-600-3939

# SYRACUSE BROADBAND PROGRAM GOALS



## ■ Syracuse RFP Goals

- Population 146,000 with 58,000 households
- Pilot focus on 8,734 household where 43% of households are without affordable internet
- RFP awardee to design, install, operate, and manage a City owned network using ARPA funds
- Scalable to all neighborhoods >10% without internet
- Sustainable model to provide affordable/free internet
- Connectivity of City assets
- Speed of roll-out key deciding factor



| Target Census Tracts (CTs) for Community Broadband Program |                    |                |                           |
|--|--------------------|----------------|---------------------------|
| CT#  | Total # Households | % w/o internet | # Households w/o internet |
| 30   | 697                | 51%            | 355                       |
| 32   | 1551               | 25%            | 383                       |
| 39   | 1055               | 44%            | 462                       |
| 40   | 464                | 44%            | 203                       |
| 42   | 840                | 56%            | 472                       |
| 51   | 845                | 43%            | 362                       |
| 52   | 711                | 44%            | 316                       |
| 53   | 515                | 46%            | 238                       |
| 54   | 831                | 52%            | 436                       |
| 58   | 658                | 42%            | 274                       |
| 59   | 567                | 38%            | 214                       |
| <b>Total</b>   | <b>8,734</b>       | <b>43%</b>     | <b>3,715</b>              |

## ■ Deployment

- Quick Roll-out
  - 60 days 8,500+ homes “passed”
  - 10 months 2,500 subs served
  - Capacity to serve All City Owned Facilities

## ■ Availability

- Fully redundant core provides 99.9%+ uptime
- 60% of Issues resolved during first call, 80% within 2 hours, 97% of outages resolved same day

# SUBSCRIBER OUTREACH & ONBOARDING



- **Market Education & Service Awareness**
  - Collaborative outreach programs with SYR City, local libraries, schools, and community centers
  - Full-time “broadband educators” holding interactive seminars with in-person enrollment
- **Simple, 3-Step Enrollment Process (Bi-Lingual)**
  - **Live customer service agents, 24x7 hours per day**
    - Phone inquiries
    - Online applications/chat
  - **Pre-paid postage mail-in sign up cards**
  - **3-4 weekly strategically located in-person enrollment seminars**
    - Libraries
    - Community centers/public housing common areas
    - Grocery stores (where permitted)

# DEPLOYMENT UPDATE



- 7/25/23 Contract Signed
- 9/25/23 Deployed and certified POPs covering all 8,000+ homes
- 10/2/23 Ribbon “connecting” ceremony kick-off for new service, *Surge Link*
- 1/24/24 500<sup>th</sup> Subscriber deployed
- Customer Feedback: 4.8/5 Google, 4.9/5 Facebook  
100+ reviews





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# COMMUNITY BROADBAND NETWORKS - CASE STUDY

EMPOWERING AFFORDABLE INTERNET



**Community Broadband Networks**  
Empowering Affordable Internet



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## Who We Are



- **Focus:** Residents with **unserved** and **underserved** broadband access
- **Services:** Internet, phone, broadcast TV
- **Delivery:** Next generation fixed wireless access (ngFWA)
- **Team:** Executive telecom staff with 100+ combined years of experience + diversified local team of field technicians and customer service agents
- **Coverage:** 60+ POPs with coverage in 6 counties and 22 cities covering 100,000 households
  - Current: Waterloo, Seneca Falls, Cayuga, Montezuma, Lyons, Junius, Dublin, Hall, Stanley, Penn Yan, Himrod, Romulus, Fayette, Ovid, Union Springs
  - Expansion (2024): Canandaigua, Auburn, Clyde, Newark, Phelps, Lodi

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# Bringing Affordable Broadband to the Finger Lakes



- Started Operation in Geneva March of 2019
- **Leverage expertise of hybrid deployment fiber + latest fixed wireless throughout the region**
  - Unserved: Those household/businesses with less than the FCC Standard at the time (25/3)
  - Underserved: Those household/business with only 1 provider (no choice)
- **Price Locked \$39.99/month for all residential subscribers**
  - Current subscribers are *locked in at that price for life*
  - Price has not changed for new subscribers in 5 years
- **Adding ~5 New Cities each year**
  - Self-sustaining with no outside investment
- **Partnership with Non-Profits**
  - Donate 10% of revenue back to non-profits each year
- **Two Way Partnership with Municipalities**
  - Use of Municipal Assets (Water Towers and Buildings)
  - Provide Municipality Free Internet Services

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# Municipal Projects References

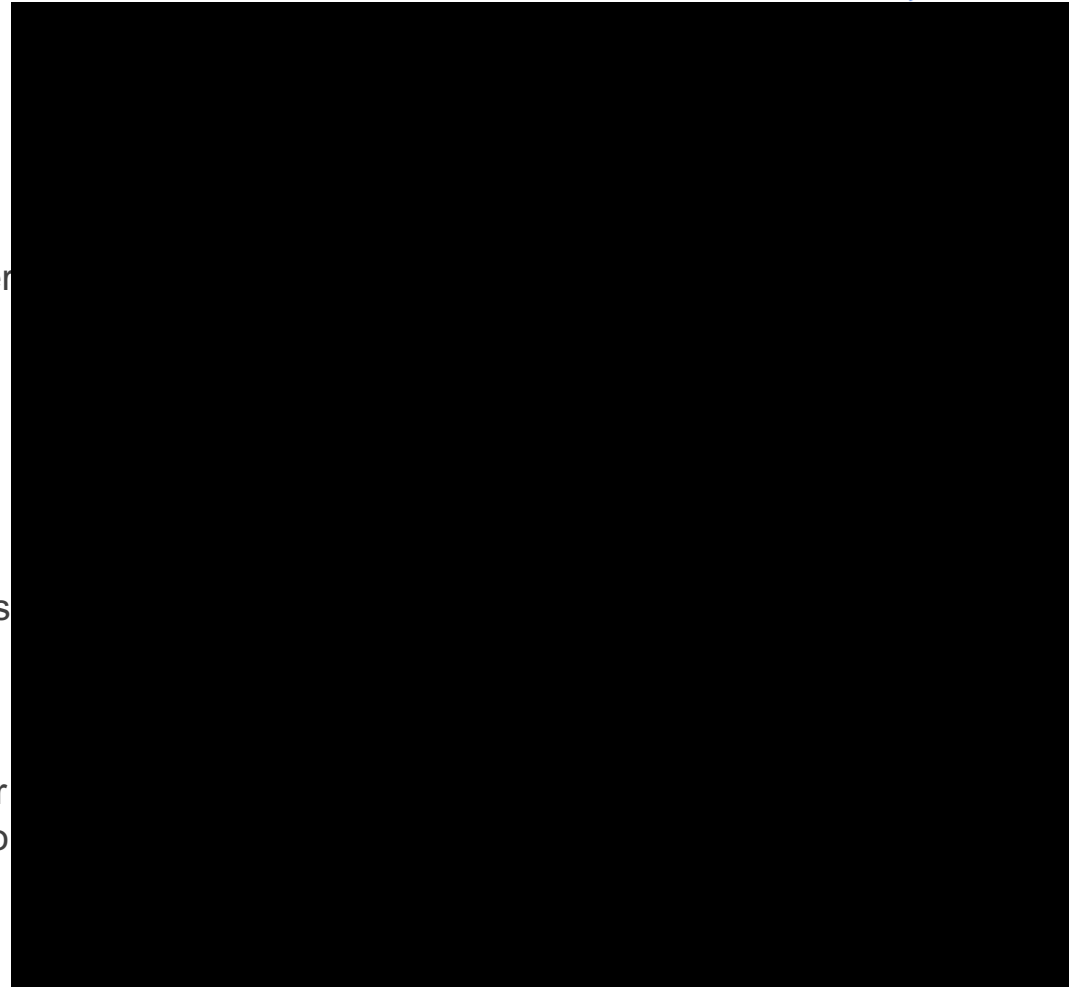


## ■ Municipal Projects

- Geneva Township
- Seneca Township
- Junius Township
- Waterloo Village (Downtown Internet, Water Plant, Court, Village Cemetery, Village Memorial)

## ■ Federal

- Geneva Housing Authority
  - Robert Doeblin
    - Free service for 200+ residents
- Montezuma Wildlife Refuge
  - Bill Stewart, Deputy Park Ranger
    - Service for Visitors Center, Park Offices, and Registration Station



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# Example Business References



## Government

Geneva BID  
Geneva Chamber of Commerce  
Geneva Fire Department  
Geneva Town Water & Sewer  
Geneva Township Building  
Junius Township Building  
Junius Highway Department  
Montezuma Wildlife Refuge  
Northside Fire Department  
Seneca Falls Community Center  
Seneca Falls Highway Department  
Seneca Falls Sewer Department  
Seneca Falls Visitor Center  
Serven Fire Department  
Waterloo Village Court  
Waterloo Downtown WiFi  
West Lake Road Fire Department

## Non-Profit

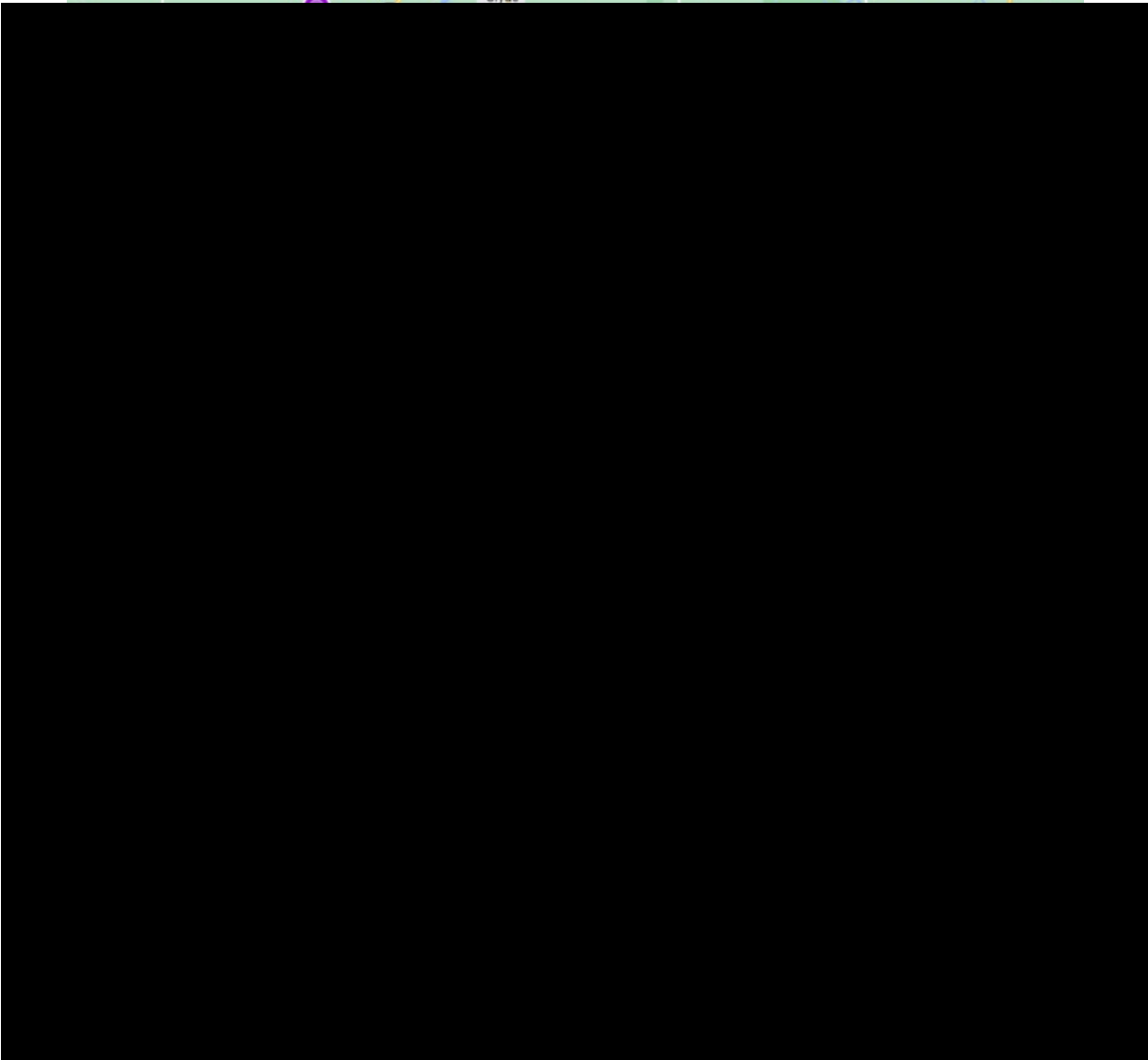
Church of Jesus Christ LDS  
Elk's Lodge  
Family Hope Center  
First United Methodist Church  
Geneva Christian Fellowship  
Grace Baptist Church  
Junius Presbyterian Church  
LDS Historic House  
Missionary Church Geneva  
Our Lady of Peace School  
Safe Harbor Finger Lakes (G,SF)  
Seneca County House of Concerns  
St. Francis Roman Catholic Church  
St. Peter's Episcopal Church  
Temple Beth AI  
Trinity Episcopal Church Geneva  
Trinity Episcopal Seneca Falls  
Waterloo Presbyterian Church  
Waterloo War Memorial

## Financial/Legal

Bernard J Carroll CPA  
Bunnell Associates  
Bonney Lawfirm  
C.S. Burrall and Son  
Central Financial Group  
David Lee Foster Law  
Full Steam Staffing NJ, LLC  
Knifley CPA HQ  
Lakeview Geneva LLC  
Law Office of Joe Lucchesi  
Law Office of Brian James Fay  
Law Office of David Foster  
Law Office of Gerald Forcier  
New York Life Insurance  
State Farm  
Tierney Pension Services



# Customer Overview



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# Superior Customer Service Support



## ■ 24x7 Customer Service Support

- Online customer support portal system
- E-mail: [support@cbn-flx.com](mailto:support@cbn-flx.com)
- Live online chat
- Text or Call 315-325-5000 (30 secs to live LOCAL agent)

## ■ Customer Service Support Track Record

- 60% of issues resolved within 6 minutes during first phone call
- 80% resolved within 2 hours including chat, online portal, and e-mail inquiries
- 97% of service issues resolved same day

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## Case Study – Results



- **Results speak for themselves:**
- On-line Reviews (100+)
  - 4.8/5 Google
  - 4.9/5 Facebook
- National average for ISP customer feedback is **1.8-2.3/5**
- **Example Reviews:**

*"Price great, performance great, customer service exceptional"*

*"Great customer service and very affordable pricing structures."*

*"I love CBN! I have this service at my home and business and it has saved me so much money since switching from Spectrum! 10/10 recommend!!!"*



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## CBN SYRACUSE MUNICIPAL LLC – MIP APPLICATION

### *Project Plan*

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#### **1. Pre-Construction**

- 1.1 Site Selection & Leasing: The City and CBN have worked extensively in locating strategic P.O.P. sites utilizing existing City assets. This tremendously increases speed to service as the City and CBN only need to coordinate construction and engineering plans. Upon executing an agreement with the City, CBN will be constructing P.O.P. sites the very next day with the first P.O.P. going live within 5 days.
- 1.2 Route Survey & Engineering: As part of our fiber and “micro-pop” design process, our field engineer will do an on-site “walk through” of the entire fiber route as well as a “drive through” the covered neighborhoods. The walk through provides a first-hand perspective on every foot of fiber being run. We look for any unforeseen obstacles, hazards- anything that could potentially delay maximum efficiency to then incorporate in our engineering plans prior to commencing construction. Our goal is to minimize any field modifications and ensure that our crews have the most thorough plans possible. The drive through provides our engineer a first-hand perspective on the structure heights and terrain elevations within the coverage area to determine the best micro-pop locations.
- 1.3 Initial Market Outreach & Awareness: It is our goal to provide unparalleled speed to market utilizing a fixed wireless delivery method. Because fixed wireless is still a rising technology, we proactively address the target areas in the order of coverage to ensure that as soon as our P.O.P. is built and certified we have a customer base that understands the technology, knows what to expect on installation day, and is excited about the prospect of receiving high speed internet delivered with the most advanced technology in the industry.

#### **2 P.O.P. Construction**

- 2.1 P.O.P. site construction: A point of presence (“P.O.P.”) is the site where the fixed wireless transmitters are located. These transmitters are typically affixed to a building utilizing engineered poles through-bolted with the building. Low voltage electric and data lines are run through conduit all leading back to a main server cabinet that houses our power distribution modules as well as routers and monitoring servers. In addition to installing transmitters, we also install high-capacity Air-Fiber receivers where we are able to provide the site with a 10Gb link from existing transmission points. This link is established within minutes not months. The overall construction process typically takes five days.

- 2.2 P.O.P. Equipment Procurement: Our primary equipment vendor, Tarana Wireless, has already allocated the inventory required to provide us equipment within 2 weeks of order confirmation.
- 2.3 P.O.P. Equipment Certification: Because our P.O.P.'s are the backbone of the network, we want to ensure that they can meet the requirements of providing 100Mbps/100Mbps to any subscriber in the targeted coverage area. As such, we select random points (varying in "difficulty") throughout each sectors propagated coverage and make test connections to ensure we are meeting or exceeding the speed requirements.
- 2.4 Fiber Backhaul Connection: Our project plan allows us to begin connecting subscribers to the network within two months of project commencement. We achieve this by utilizing Air-Fiber connections, however the goal of the project is to connect every P.O.P. site with fiber. Fiber naturally takes significantly longer than an Air-Fiber link to be established and therefore we will connect each P.O.P. site as we pass with fiber. This will only fortify the network providing two DIA connections.

### **3 Fiber Construction**

- 3.1 Materials Procurement: our fiber division understands the challenges that lead time can create for a project and as such, we are fully stocked with over 100 miles of fiber as well as various size poles. We have a supply yard based in the Finger Lakes that will provide the Syracuse project with all fiber materials needed. The only items that will be custom ordered is the distribution cabinets which will occur as soon as contracts are executed.
- 3.2 Pole Attachment & Make-Ready: Make-ready engineering and permitting is one of our fortes. We have built out a comprehensive internal system for make-ready engineering over the years to ensure maximum efficiency. We utilize our internal resources to maintain a highly organized and efficiently executed process. We capture hi-res photos, GPS locations, and critical details, and our technology enables our QC team to ensure the highest levels of accuracy. This efficiency guarantees quality and expedites project completion, offering our clients ease and convenience. We estimate we will be able to obtain all pole attachment rights and make ready requirements within 45 days. We will then proceed to the construction phase of make-ready and pole replacements to ensure that our aerial crews have a clearly paved path to a successful installation.
- 3.3 Permitting: While permitting for most is a dreaded process, CBN has a trusted partner that has been in the fiber permitting/expediting industry for over twenty years. We have a very well established permitting process that allows us to obtain permits in unmatched speed.
- 3.4 Underground Construction: Underground construction will be the first phase of our fiber build as the City's colocations are located in downtown Syracuse where all utilizes are underground. To provide access to the main neighborhoods we will be handling the underground phase first to utilize the summer months for maximum efficiency. Again, regardless of the speed of fiber deployment, our subscriber deployment speed will remain consistent with the use of Air-Fiber backhaul connections.
- 3.5 Aerial Construction: Aerial construction will be the second phase of our fiber build where we will be efficiently providing connection to our P.O.P. sites and neighborhood arteries. We are considering that our principal construction time will occur during the winter months and thus we anticipate a break in fiber construction during the harshest

months to be recommenced in the spring. In a typical fiber-deployment this would delay connection to subscribers, however utilizing our method, we will remain on track.

#### 4 Subscriber Connection

4.1 Equipment Procurement: Our primary equipment vendor, Tarana Wireless, has already allocated the inventory required to provide us equipment within 2 weeks of order confirmation.

4.2 Subscriber Installation: As described in our workforce plan, we exclusively hire local team members and will never out source to out of state contractors. As distinguished by our name, *Community* Broadband Networks, it is our primary goal to be a part of the community in which we serve. As such all of our technicians are local to the Syracuse area and take great pride in serving their neighbors. We ensure that our technicians are trained to go above and beyond the typical ISP installation and connect all of a subscriber's devices as well as offer a brief training on how to use WiFi connectivity, especially to elderly or disabled subscribers. Our installation process takes approximately two hours on average.

4.3 On-Going Market Education: Realizing that most of our target market is underserved without affordable access to the internet, regular marketing strategies will not work. Our market education strategy utilizes a low-tech and high-touch combination. Mass targeted mailings, flyers, lawn signs and a presence at community retail centers/events are just a few of the ways we intend on tapping into the unserved market. We continually work with community action organizations, chamber of commerce, and other housing managers to distribute flyers and spread the word about the benefits of the new service that is coming to local communities.

# City of Syracuse Municipal Infrastructure Project

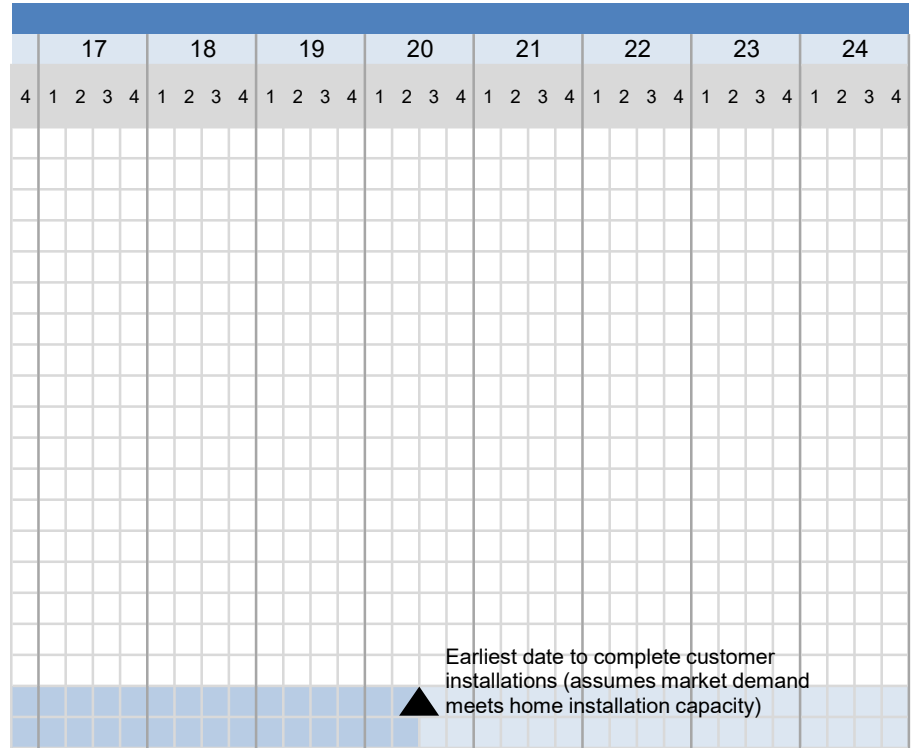
CBN Syracuse Municipal LLC

Project Start Date July 2 2024

|          |                                   |              |              |      |        |           | Months |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
|----------|-----------------------------------|--------------|--------------|------|--------|-----------|--------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|----|---|---|---|----|---|---|---|----|---|---|---|----|---|---|---|----|---|---|---|----|--|--|--|----|--|--|--|
|          |                                   |              |              |      |        |           | 1      |   |   |   | 2 |   |   |   | 3 |   |   |   | 4 |   |   |   | 5 |   |   |   | 6 |   |   |   | 7 |   |   |   | 8 |   |   |   | 9 |   |   |   | 10 |   |   |   | 11 |   |   |   | 12 |   |   |   | 13 |   |   |   | 14 |   |   |   | 15 |  |  |  | 16 |  |  |  |
| WBS      | TASK                              | START        | END          | DAYS | % DONE | WORK DAYS | 1      | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1  | 2 | 3 | 4 | 1  | 2 | 3 | 4 | 1  | 2 | 3 | 4 | 1  | 2 | 3 | 4 | 1  | 2 | 3 | 4 |    |  |  |  |    |  |  |  |
| 0        | Contract Execution                |              | Mon 7/01/24  |      |        |           |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| <b>1</b> | <b>Pre-Construction</b>           |              | -            |      |        | -         |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 1.2      | Site Selection & Leasing          | Tue 7/02/24  | Fri 8/30/24  | 60   | 0%     | 44        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 1.3      | Route Survey & Engineering        | Tue 7/02/24  | Wed 7/31/24  | 30   | 0%     | 22        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 1.4      | Initial Market Outreach/Awareness | Tue 7/02/24  | Fri 8/30/24  | 60   | 0%     | 44        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| <b>2</b> | <b>P.O.P. Construction</b>        |              | -            |      |        | -         |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 2.1      | P.O.P. Site Construction          | Tue 7/02/24  | Fri 8/30/24  | 60   | 0%     | 44        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 2.2      | P.O.P. Equipment Procurement      | Tue 7/02/24  | Wed 7/31/24  | 30   | 0%     | 22        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 2.3      | P.O.P. Equipment Certification    | Tue 7/09/24  | Wed 8/07/24  | 30   | 0%     | 22        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 2.4      | Fiber Backhaul Connection         | Mon 7/15/24  | Tue 3/11/25  | 240  | 0%     | 172       |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| <b>3</b> | <b>Fiber Construction</b>         |              | -            |      |        | -         |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 3.1      | Materials Procurment              | Tue 7/02/24  | Fri 8/30/24  | 60   | 0%     | 44        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 3.2      | Pole Attachment/Make-Ready        | Wed 7/31/24  | Wed 11/27/24 | 120  | 0%     | 86        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 3.3      | Permitting                        | Mon 7/15/24  | Tue 8/27/24  | 44   | 0%     | 32        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 3.4      | Underground Construction          | Thu 8/15/24  | Tue 11/12/24 | 90   | 0%     | 64        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 3.5      | Aerial Construction               | Tue 10/01/24 | Fri 6/27/25  | 270  | 0%     | 194       |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| <b>4</b> | <b>Subscriber Connection</b>      |              | -            |      |        | -         |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 4.1      | Equipment Procurement             | Tue 7/02/24  | Wed 7/31/24  | 30   | 0%     | 22        |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 4.2      | Subscriber Installation           | Mon 7/22/24  | Thu 12/31/26 | 893  | 0%     | 639       |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |
| 4.3      | On-Going Market Education         | Tue 7/02/24  | Thu 12/31/26 | 912  | 0%     | 651       |        |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |   |   |   |    |  |  |  |    |  |  |  |

▲ Full network installation complete

▲ First subscribers able to be connected over air fiber while fiber backhaul built out



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**CBN SYRACUSE MUNICIPAL LLC – MIP APPLICATION**  
*Technical Solution & Design*

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**High-Level Technical Solution**

CBN will be using the latest next generation fixed wireless access technology (ngFWA) to provide speeds and reliability equal to that of fiber without the associated delays or costs of laying fiber to every home. When compared to Fiber-to-the-Home and other wireline options, FWA has advantages such as quicker service rollout, reduced rollout costs, no street disruptions and lower operating expenses.

Our primary ngFWA hardware is supplied from Tarana. Tarana has created the industry's first instance of ngFWA, the Gigabit 1 (G1) platform. G1 is the product of over \$300M invested over a decade of ground-up R&D focused exclusively on FWA. By marrying the continued march of silicon integration with new, innovative signal processing techniques, G1 creates a completely new future for broadband. G1 offers all the fast-deployment advantages of FWA along with the performance, capacity, and interference-rejection required to deliver reliable fixed broadband connections for homes and businesses at large scale, in challenging non-line-of-sight conditions and a fully formed wireless alternative to last-mile fiber for the long term.

Extensively validated by tier-1 operators and well proven in carrier scale networks, the fundamental advances in multi-radio performance completely transform the economics of delivering gigabit-class access. The G1 platform features the base node (BN), remote node (RN), and Tarana Cloud Suite (TCS) for management. Some of the key features of the Tarana platform:

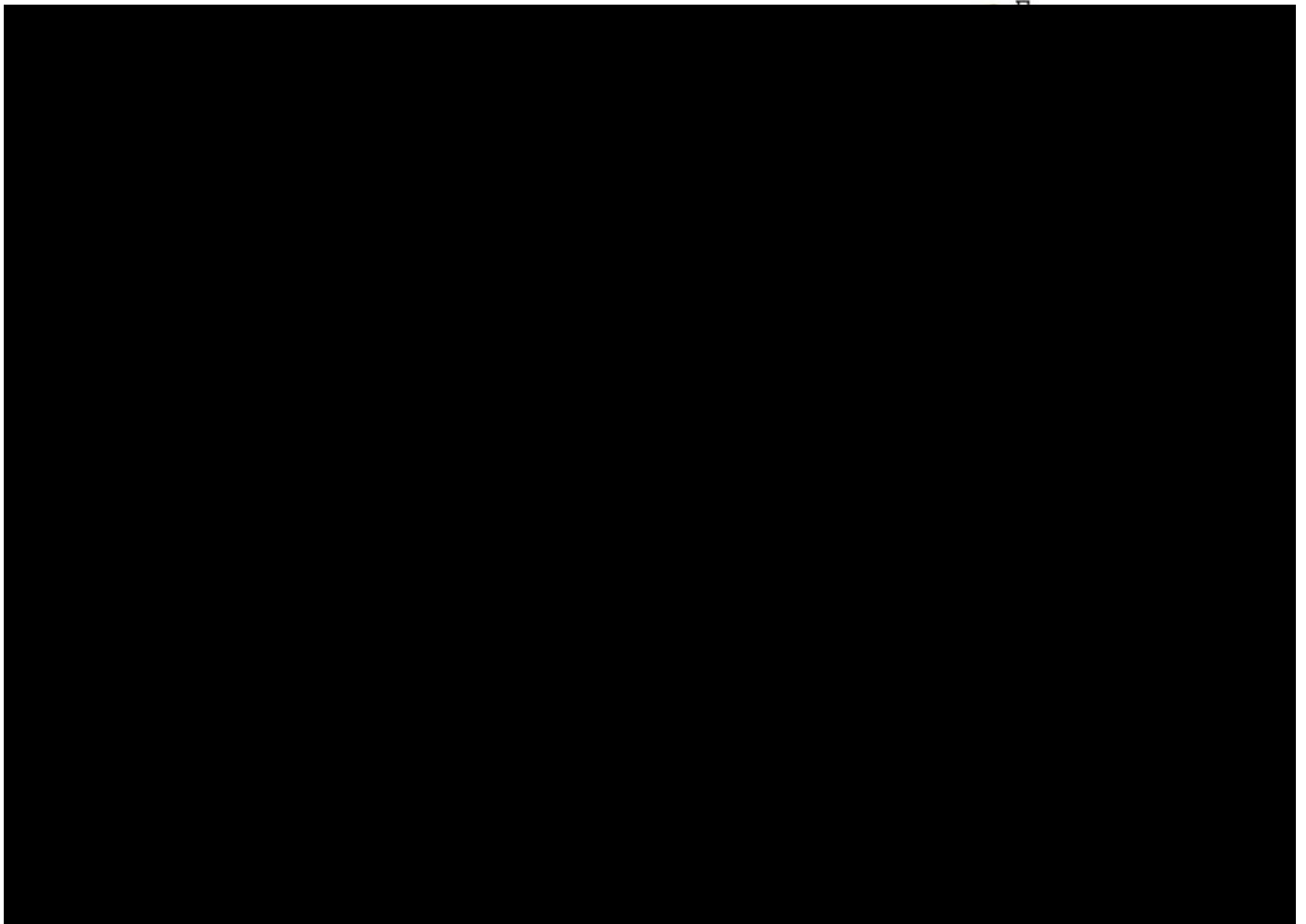
- Up to 800 Mbps aggregate per customer/link
- Up to 250 Clients per Sector
- Up to 1000 clients per Site (4 BNs)
- 3 GHz (CBRS) licensed band
- Works in NLoS (Non-Line-of-Sight) and nLOS (near Line-of-Sight)
- Cancels Interference

- Fiber-Class Reliability
- Fast to Deploy
- More Affordable than Fiber

Wireless technologies R&D has been exceptionally robust over the last 10 years due to the use of smart phones and other mobile services. We have seen the cost of equipment decrease and its capacity increase dramatically over the last (3) three years. We expect this to continue as more money is used to develop this form of data transport technology.

In the past there were challenges with line-of-sight issues based on physical obstructions, but we have been **successful** in deploying Tarana equipment in our Surge Link network and have verified that it works through trees, around buildings, and other dense areas not previously available.

Provided below is the network diagram and information on the type of infrastructure, equipment, hardware, and software that will be used in the proposed project.



## **Network Equipment Used**

POP equipment: Tarana G1 that will be using CBRS band in the 3.550-3.700GHZ range with a GAA license. It can cover up to 10 miles as line-of-sight (LOS) and up to 2 miles as non-line-of-sight (NLOS)

Customer premise equipment (CPE): Tarana RN, Vilo Mesh Wi-Fi Routers (WiFi Mesh Router), short range distribution devices including Ethernet Coax adapters to be used in apartments. Ethernet Coax adapters allow reuse of coax wiring within an apartment complex and avoids having to run new wiring.

Backhaul Equipment: Siklu Etherhaul – 8010 will provide 10GB back-up links between sites for redundancy.

Ten (10) POPs will be used for the proposed network. Each POP will have up to 4 Tarana G1 radios. Each radio will cover 90-degree point to multi point connection to the CPE Location (MDU or individual houses). Each POP connects to the other POPs via a 10GB Siklu back-up link.

Each POP has at least (2) two connections via a fiber backhaul to the internet. If one connection fails, traffic is then rerouted to the other location. Most of the failures we encounter are due to fiber cuts caused by accidents and external forces taking down poles, or other construction related activities. We have had cases where it has taken 2-3 days to resolve the fiber cut where typical wireline subscribers would be out of service, our essential multiple diverse paths and redundancy structures ensure our subscribers have an uninterrupted experience.

### Fiber Capacity and Strand Counts

Fiber capacity on each segment of the network is 1 GB to 10 GB. Strand counts vary as follows:

- Main backbone: 864
- Street-side arteries: 432
- Individual distribution boxes: 144



The maximum line speed at the premise is 1GB-10GB, with an oversubscription ratio of 8.

### **Network Redundancy Assumptions**

CBN's engineering goal is to ensure that the failure of any piece of equipment or link in the network does not impact customer service. This is accomplished by having redundant hardware, links, and fiber backhaul. We then configure the network using industry standard protocols such as OSPF (Open Shortest Path First) and BGP (Border Gateway Protocol) that will respond to the loss of any link by automatically routing traffic on a backup link without any customer disruption.

Within a Point of Presence (POP), if a sector fails on a tower, customer radios automatically reconnect to one of the remaining sectors with the strongest signal. Each POP has a UPS (Uninterruptible Power Supply) sized for 30 minutes if a back-up generation source is available or up to 8 hours if an immediate generation source is not available. Furthermore, all CBN trucks have generators that can power a site indefinitely in case a power failure lasts more than 8 hours.

### **Data Rate and Sector Loading Assumptions**

RN are classified into two capacity groups. Those that are able to provide 100/100, will be able to provide at minimum 476MBS down and 106MBS up and maximum 641 MBPS down and 143 MBS up. While a BN sector is sized to handle up to 250 RNs, our average loading will be 33 RNs to a BNs. This conservative loading ratio will help maintain target data rates even through peak hours.

### **Technical Benefits**

Wireless technology is as fast as the speed of light and has the capacity of up to 10 Gbps. The average subscriber only uses an average of 10Mbps as a point of reference. Wireless connectivity is impervious to cable cuts and is not affected by weather incidents. Time to market to customers is a matter of days and weeks, **not** months or years.

## Scalability

Our service is based on the Tarana G1 product. Tarana has announced an upgrade to the product we plan to deploy called G1x2. The announcement is as follows:

- G1x2 reveals the power of a fundamentally different physical layer designed specifically for home broadband. It has been a massive decade-long undertaking and today we are demonstrating that our ngFWA foundation scales — this is a huge step, and there are more to come
- Tarana's G1 ngFWA platform has been embraced by more than 190 ISPs in 8 countries in its first year of commercial shipments. G1 base nodes sold to date are expected to cover 20 million households and will have the capacity to serve as many as 1 million subscribers when fully deployed in the coming months — an unprecedented inaugural achievement.
- Tarana's next G1 releases will take two new directions. First is operation in the 6 GHz is being opened up in the US. Second is the introduction of G1x2 mode, a software update

that doubles the current 80MHz bandwidth of the G1 platform to 160MHz, organized as four independent 40MHz carriers to deliver up to 1.6 Gbps in aggregate for each G1 link.. Operation in G1x2 mode will also be an option available for currently shipping G1 BNs and RNs, with accommodations required for the new rate/reach metrics involved.

As noted in the announcement, this **NO COST** software upgrade will enable the **doubling** of the maximum data rate. In addition, by adding in the ability to operate in the new 6GHZ licensed spectrum, will enable increased capacity to support **additional customers** all at **NO COST**.

### **Network Operations/Management Approach**

CBN prides itself on providing highly reliable broadband service on a 24x7 basis. Should a customer require customer service, CBN differentiates itself with the objective that a customer will get a live agent in under 30 seconds of calling 99% of the time. CBN approach includes:

- A highly redundant network designed to survive the loss of any piece of equipment or transmission link.
- Proactive network monitoring to resolve any issues before customers are impacted.
- Ability to quickly sectionalize individual customer issues and resolve it during the first customer contact.

### Proactive Monitoring – Overall Network

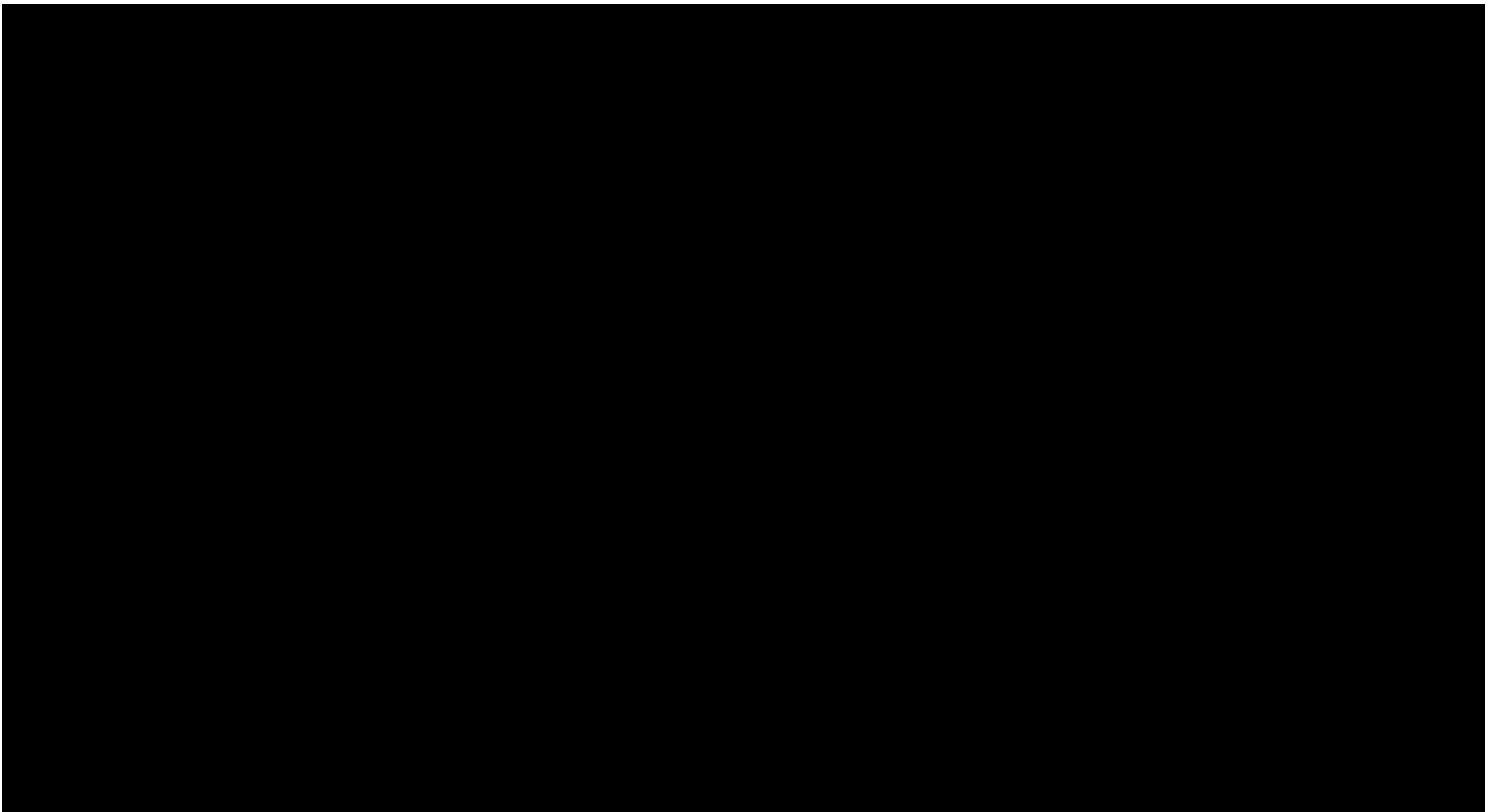
CBN uses several tools for proactive monitoring. Each tool is based on available software that is customized to CBNs operations.

We use the Mikrotik Network Management System (NMS) to monitor the network. The NMS automatically pings each network element and link every minute to ensure that it is up and working. It also collects SNMP data and analyzes the data looking for issues such as congestion on links, link speed downgrades, GPS failures, etc.

If an issue is detected, the color of the node will turn red if customers are impacted or yellow if there is a failure that is not impacting customers such as a failure of a redundant piece of equipment or link. Multiple failures are reflected in the numbering at each node. The first

number is the number of monitored elements, the second is the number of elements that are having an issue without impacting customer service, and the third number is the number of elements that are down that are impacting customer service. Each node can be drilled down to the next level for more detail and useful to pinpoint where the failure is located.

Below is an example of a Network Management screen:



#### Proactive Monitoring – Individual Customers

In addition to network monitoring, we monitor each customer's connection down to individual devices connected to our Wi-Fi router in the customer's home. Our system will ping the customer's router every minute and run a speed test every 5 minutes from the network to the customer's router.

Since an "outage" or loss of service may be related to a customer issue such as loss of electricity, home remodeling, or simply the customer turning off the equipment to save electricity, we do not immediately dispatch a technician to a customer outage. Instead, we assess the customer's individual connection first to ensure there are no self-inflicted issues. This policy is followed

with the exception for those customers that indicate they are performing life critical operations, hospitals, and emergency service centers. These customers are tagged for immediate response to their outage.

### Customer Service

Customers can contact our customer service several ways:

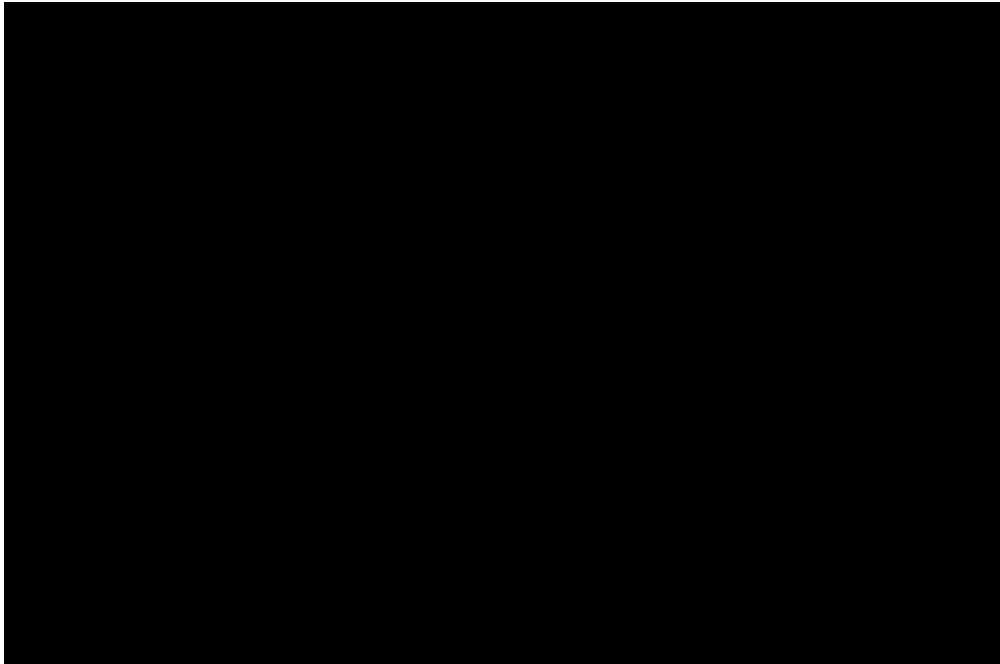
- 1) Call our main number (315-325-5000)-24x7
- 2) Text our main number-24x7
- 3) Access their online portal account and submit a help request-24x7 4) Send an e-mail: support@cbn-flx.com
- 5) Chat via Facebook or GoogleChat

In all cases for a customer service issue, we will create a trouble ticket to track the customer issue and resolution. If the customer calls our main number, our objective is that they will get a live person within 30 seconds. All our agents are located in the US and employees of CBN. Our technician will use the SONAR network troubleshooting tool to verify if there is an issue at a customer's home. They will use Vilo management platform to view Wi-Fi connectivity in their home. Over 80% of the customer issues are resolved in the first phone call. In less than 10% of cases do we need to “roll a truck” to visit a customer’s location.

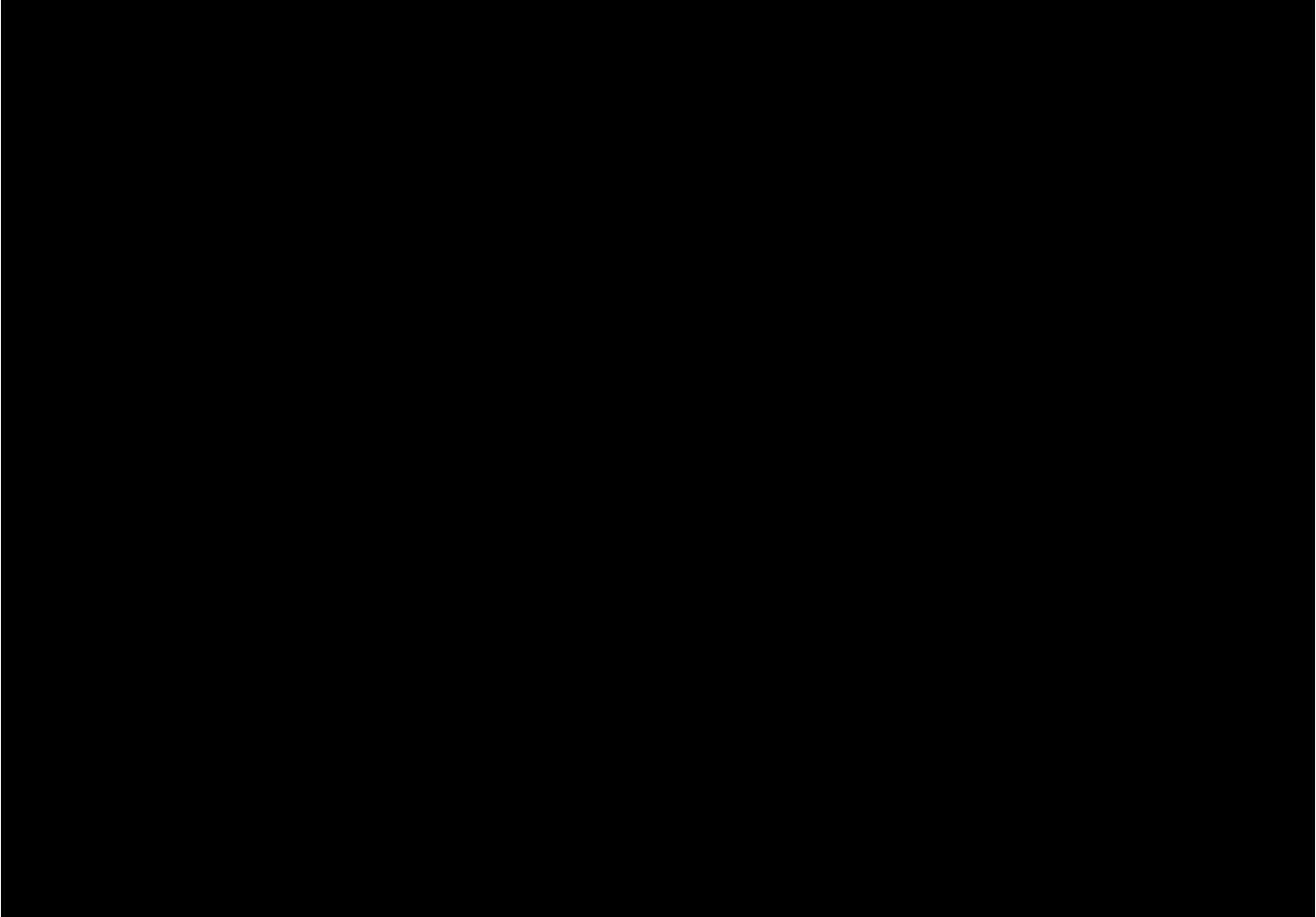
Below is an example of speed test results testing internet speed. Note the indication of the specific services the customer should have no issues with.



The following is an example of a Speed Test to an Individual Device (a Firestick in this case):



Below is an example view of devices. This shows 2 devices that have a weak signal and could be problematic.



CBN uses several tools for proactive monitoring. Each tool is based on available software that is customized to CBN's operations. Each tool will collect the data for reporting and distribute it to interested parties via e-mail or is available for on-line query.

Examples of key performance indicators that will be tracked include:

- Number of target households identified & conversion rate (i.e. how many eligible households actually sign up for service)
- Number of active vs. closed accounts
- Address & demographic information of enrolled households
- Number and type of customer inquiries
- Average time to resolve a customer issue
- Actual network upload and download speeds provided to customers
- Network latency

- Scheduled vs. unscheduled network down times
- Overall Service Availability
- Service Availability over time
- Peak Utilization by Backhaul Link (upload/download)
- Overall Traffic (upload/download) 24 hour, 7 days, 30 day, and yearly
- Customer Tickets % Resolved within SLA Targets
- Number of Customer Requests for Service in “Queue”
- Average time from Request to Installation
- Customer Retention% and Details: Losses by Type (Moving, Price, Quality)
- Customer Complaints
- Other metrics as agreed upon by the City, such as measures related to accessibility, retainability, integrity, capacity, traffic, and quality.

All of these KPIs will be monitored against expected performance. If there are any deviations outside expected performance, a trouble ticket will be created for the technical team to review and resolve the issue by the Tier 2 Technician Support group. If the Tier 2 Technician Support group is not able to resolve the issue in a period of time based on the number of customers impacted, the ticket will be escalated to the Tier 3 VP of Engineering, and then to the Tier 4 Resolution Team which includes the President, VP of Engineering, and Equipment Manufacturer technical experts.





# CBN SYRACUSE MUNICIPAL LLC

“Empowering Affordable Internet”

[info@cbn-syracuse.com](mailto:info@cbn-syracuse.com)

[www.cbn-syracuse.com](http://www.cbn-syracuse.com)

(315) 325-5000

## LETTER OF COMMITMENT

Dear ConnectALL,

We are pleased to have the opportunity to partner with the City of Syracuse to bring affordable high-speed internet throughout the most impoverished and underserved neighborhoods of the state. Community Broadband Network’s (“CBN”) mission, since inception, is to provide affordable internet access to the unserved and underserved residents in towns and cities across the East Coast. We started our business throughout the Finger Lakes Region of New York in 2018, and due to our success, we have since expanded to 3 states including Oklahoma & Florida.

In regard to the City of Syracuse MIP, Community Broadband Networks (“CBN”) respectfully submits its proposal to build and provide high speed, low-cost internet service to the City’s households and businesses that currently lack access to broadband or have connections that do not reliably meet or exceed FCC broadband speeds of 100/100 Mbps. CBN sees this opportunity as just the tip of the iceberg as we are looking to work with the City to bring our commercial affordable internet service to all of the City’s residents upon completion of the initial three priority areas utilizing the open access network.

To accomplish this, CBN will use a combination of Fixed Wireless Access Technology (“FWA”) in the licensed spectrum with fiber to rapidly provide a low cost, highly reliable service to the target communities. Our service is distributed from Points of Presence (“POP”) coupled with last mile fiber. This allows the City to prioritize who we bring online first based on greatest need (remote learning school children, elderly in need of telehealth, households with disabled residents). We at CBN want to bring an incredible force of change to the current landscape of information deserts throughout the City of Syracuse. We hear a cry from all 14,000 households identified in the City’s target zones that do not have access to affordable internet (or even access to internet at all), and look forward to being the reason that a low income family can provide their children with access to the remote learning, or a senior citizen can keep in touch with loved ones. This is exactly why Community Broadband Networks (“CBN”) was created!

CBN currently provides high speed internet to our customers at a price-lock guarantee for life and intends to utilize the same model when leasing space from the open access MIP network. We participate in the federal Affordable Connectivity Program (ACP) program (when active), offering free internet to those who qualify. Our team applies for ACP on behalf of the customer since the registration process can be daunting. In addition, we provide reduced cost laptops and tablets (as low as \$10.00) as well as training on how to use them.

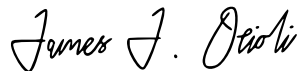
CBN’s tagline is “Community Broadband” which is intended to symbolize our core value of being deeply rooted in the communities that we serve. As such, we *exclusively employ local staff* to ensure that we are providing career opportunities instead of bringing outside 3rd party contractors.

Furthermore, good customer care is missing with today's internet service providers, and CBN is pioneering a change to the industry. We at CBN have created a strategic marketing strategy as well as a 24x7 customer service solution specifically to serve hard-to-reach populations such as non-English speakers, the elderly, or those with disabilities. CBN's services will be customized to the targeted areas and *provided by people who live and work in the community*.

This project will be managed by our *local* core management team that has over 150 years of experience in the telecommunications industry. We have proven our model to work effectively in numerous deployments across the east coast and will apply that same model to ensure that the City of Syracuse's project is a success for everyone. The attributes mentioned above have certainly proven to be successful as CBN has designed and built one of the most successful municipally owned **urban** broadband networks. The City of Syracuse Surge Link program has been a tremendous success with CBN's ability to connect subscribers within 2 months of project launch and already has over 500 customers on the network within five months of project commencement. This certainly proves CBN's ability to successfully operate in an urban environment, and we look forward to continuing to expand our reach and carry out CBN's mission in the City of Syracuse.

Sincerely,

James Orioli

A handwritten signature in black ink that reads "James J. Orioli". The signature is written in a cursive style with a large initial "J" and "O".

CBN Syracuse Municipal LLC

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## CITY OF SYRACUSE SURGE LINK

### *MIP Project Summary*

---

The City of Syracuse Surge Link MIP Project will expand a municipal broadband solution that is currently deployed in 3 city neighborhoods. The core focus for Surge Link is making high-speed internet accessible at home for families living in poverty. The applicant for the Municipal Infrastructure Program is the City of Syracuse. The City will partner with CBN Syracuse Municipal LLC (CBN), an internet service provider in Upstate NY, to deliver this project.

### **The Need in Syracuse NY**

The City of Syracuse is the 5<sup>th</sup> largest city in New York State and the economic hub in the Central New York region, but for too long there have been barriers to economic mobility for many Syracuse residents. Decades of economic boom from the late 19<sup>th</sup> through mid-20<sup>th</sup> centuries were followed by decades of economic and population decline as the loss of manufacturing jobs and redlining policies created pockets of concentrated poverty in many neighborhoods in Syracuse. Syracuse is home to hard working and resilient people and businesses, and positive indicators of economic improvement can be seen in many sectors in recent years. However, Syracuse continues to struggle with one of the highest poverty rates in the United States—where one in three children lives in poverty today.

Six years ago, the City of Syracuse established an ambitious vision for our community: to be a *growing city that embraces diversity* and creates **opportunity for all**. This vision was informed by an internal study of poverty in the city and the factors that contribute to it; called [\*Below the Line\*](#), the report found a few issues highly contributed to Syracuse's deeply concentrated poverty, including specifically a lack of reliable internet access for low-income residents. A few years later, the COVID-19 pandemic exposed the negative impacts from this lack of reliable internet access. Internet access is key for education, job opportunities, and is a super-determinant of health—*internet service affordability is a driver of social and economic inequity in Syracuse, NY*.

### **Proposed Project Areas**

The proposed project areas for the Surge Link MIP project will serve a total population of 14,325, in 13 underinvested census tracts in the City of Syracuse. The total miles of new fiber construction needed for this project is 20. Within this service area, we estimate that 85% are underserved, while the remaining 15% are served today. The table below provides a snapshot of the proposed project area.

| Neighborhood (Census Tract)              | Est Household # | Avg Med. Income | % w/o Internet* |
|--|-----------------|-----------------|-----------------|
| Valley (CT60, 61.01, 61.02, 61.03)       | 5,268           | \$39,705        | 18.7%           |
| Skunk City (CT 38)                       | 846             | \$28,750        | 21%             |
| Washington Square (CT 2, 5.01, 6, 7, 14) | 5,394           | \$35,146        | 17.7%           |
| Northside (only CT 8)                    | 1,075           | \$32,264        | 10.7%           |
| Near Northeast (CT 15 & 23)              | 1,742           | \$34,037        | 18.5%           |
|  | <b>14,325</b>   | <b>\$33,980</b> | <b>17.32%</b>   |

\*Based on 2022 US Census Data

### Overview of the Proposed Project Approach

Our partner CBN will be using the latest next generation fixed wireless access technology (ngFWA) to provide speeds and reliability equal to that of fiber without the associated delays or costs of laying fiber to every home. This is the locally preferred option for the City of Syracuse, where an estimated 20% of households citywide do not have broadband internet access and the driving cause of this is an *internet affordability gap* exacerbated by concentrated poverty in many of the city’s neighborhoods. The ability to roll out a solution to a large number of households quickly and cost mitigation are major considerations in choosing broadband investments that will address the root causes of our digital divide.

Wireless technologies R&D has been exceptionally robust over the last 10 years due to the use of smart phones and other mobile services. We have seen the cost of equipment decrease and its capacity increase dramatically over the last 3 years. We expect this to continue as more money is used to develop this form of data transport technology. When compared to Fiber-to-the-Home and other wireline options, FWA has advantages such as quicker service rollout, reduced rollout costs, no street disruptions and lower operating expenses.

### Infrastructure Ownership Model

The infrastructure deployed for the Surge Link network will be entirely owned by the City of Syracuse, ensuring full public ownership from inception. A contractual relationship with CBN leverages traditional ISP capabilities critical to the project's success—i.e. the installation, maintenance, and operation of the network and service. This allows for the infusion of private sector efficiency, innovation, and expertise into the project, while ensuring that the public interest is safeguarded, and the infrastructure remains a public asset. At this time, the City has not specifically developed an open access business model for this infrastructure, however, we are committed to developing an open access approach that enables additional network utilization and resource sharing.

### Proposed Project Budget

The proposed budget for this project is \$10,625,657, of which we are requesting \$9,225,657 from the State of New York.

**NYS ConnectALL Municipal Infrastructure Program**  
**Application Amendment**

*City of Syracuse – Application # 135057*  
*Surge Link Municipal Infrastructure*

Question 14689 – Answer Amendment

- Network elements (both active and passive)
  - Splitter Module 1x32 splitter sc/apc
  - 48-strand cable ribbon fiber
  - 144-strand cable ribbon fiber
  - 288-strand cable ribbon fiber
  - 432-strand cable ribbon fiber
  - 864-strand cable ribbon fiber
  - Patch Panels
  - ONU
  - OLT
  - Tarana Base Node (BN)
  - Tarana Remote Node (RN)
  - Siklu Etherhaul 8010
  - Mikrotik CCR2116-12G-4S+
  - Mikrotik CRS309-1G-8S+in
  - Mikrotik HexPoE
  - Ubiquiti airFiber PTP, PtMP
  
- Connectivity to the internet backbone
  - DIA IP Transit at two diversely routed co-locations (Hurricane Electric, Cogent)
  
- Delivery to each served address with the required throughput and capacity
  - Capacity at each served location will be up to 10GBS download and 10GBS upload depending on capacity requirements. Throughput available at each served location will be a minimum of 100MBPS download and 100MBPS upload with ability to go up to 10GBS download and 10GBS upload depending on services provided.
  
- Engineering decisions required to achieve service speeds and latency:
  - Decision #1: Use the most advanced FWA technology on the market to deliver fiber-class speed and latency to the home: Tarana. With beamforming technology and interference cancellation, the Tarana platform is specifically created for a non-line-of sight, urban deployment such as Syracuse.
  - Decision #2: Provide each P.O.P. with a 10GB fiber backhaul link and redundantly supported with dual 10GB AirFiber links.
  - Decision #3: Route and manage the network utilizing the most robust carrier-grade cloud core routers manufactured by Mikrotik.
  - Decision #4: Enlist a NY based, nationally acclaimed, fiber engineering firm to design the highest quality fiber backbone with open access to other ISPs.
  
- Backhaul connectivity
  - Via multiple 10GB fiber links as principal link with redundant AirFiber links for back-up.

- Head end deployment
  - 800 Mbps aggregate per customer/link
  - 250 Clients per Sector
  - Up to 1000 clients per Site (4 BNs)
  - 3 GHz (CBRS) licensed band upgradable to 6Ghz band
- Core network electronics
  - Tarana G2 Base Node (BN) & Remote Node (RN)
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  - Mikrotik HexPoE
  - Ubiquiti airFiber PTP, PtMP
  - ICT Intelligent Power Distribution & UPS
- Fiber capacity and strand counts on each segment of the network
  - Buried: 864
  - Aerial: 864-144
  - Service: 48
- Maximum line speed at the premises
  - 10GBS
- Oversubscription ratio
  - Maximum 8:1
- Split ratios
  - Max ratio 1:32
- Splice points
  - 39 splice points as indicated on network layout
- Drop installation
  - 3 Drop Types: 1) Fiber to ONU to Vilo Mesh Wi-Fi Router, 2) Tarana RN, Vilo Mesh Wi-Fi Routers (WiFi Mesh Router), 3) MDU distribution via existing infrastructure including a) ethernet distribution, b) fiber distribution, or c) Coax via MOCA based Coax to Ethernet Adapters.
- In-unit termination specification
  - CAT5e
  - 10GB SFP
- CPE or router model and capabilities (including Wi-Fi interface)
  - Wi-Fi Standard: IEEE802. 11a/b/g/n/ac
  - Wi-Fi Frequency: Simultaneous dual band (2.4Ghz/5Ghz)
  - Wi-Fi Speed: AC1200 (300 Mbps on 2.4 Ghz; 867 Mbps on 5 Ghz)
  - Advanced Technology: MU-MIMO; Beamforming; Proactive band steering
  - Security Protocol: WPA2, WPA2/WPA
  - Processor: 1 Ghz
  - Memory: 128 MB RAM; 16 MB NOR flash
  - Antennas: 4 internal antennas

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  - Tarana G2 Base Node (BN) & Remote Node (RN)
  - Siklu Etherhaul 8010
  - Mikrotik CCR2116-12G-4S+
  - Mikrotik CRS309-1G-8S+in
  - Mikrotik HexPoE
  - Ubiquiti airFiber PTP, PtMP
  - ICT Intelligent Power Distribution & UPS
- Fiber capacity and strand counts on each segment of the network
  - Buried: 864
  - Aerial: 864-144
  - Service: 48
- Maximum line speed at the premises
  - 10GBS
- Oversubscription ratio
  - Maximum 8:1
- Split ratios
  - Max ratio 1:32
- Splice points
  - 39 splice points as indicated on network layout
- Drop installation
  - 3 Drop Types: 1) Fiber to ONU to Vilo Mesh Wi-Fi Router, 2) Tarana RN, Vilo Mesh Wi-Fi Routers (WiFi Mesh Router), 3) MDU distribution via existing infrastructure including a) ethernet distribution, b) fiber distribution, or c) Coax via MOCA based Coax to Ethernet Adapters.
- In-unit termination specification
  - CAT5e
  - 10GB SFP
- CPE or router model and capabilities (including Wi-Fi interface)
  - Wi-Fi Standard: IEEE802. 11a/b/g/n/ac
  - Wi-Fi Frequency: Simultaneous dual band (2.4Ghz/5Ghz)
  - Wi-Fi Speed: AC1200 (300 Mbps on 2.4 Ghz; 867 Mbps on 5 Ghz)
  - Advanced Technology: MU-MIMO; Beamforming; Proactive band steering
  - Security Protocol: WPA2, WPA2/WPA
  - Processor: 1 Ghz
  - Memory: 128 MB RAM; 16 MB NOR flash
  - Antennas: 4 internal antennas