SYRACUSE CITY EST 1935

Mayor
Terry Palmer

City Council
Andrea Anderson
Corinne Bolduc
Mike Gailey
Karianne Lisonbee
Dave Maughan

City Manager
Brody Bovero

January 25, 2016

Via electronic submission to Electronic Municipal Market Access (EMMA; emma.msrb.org)

Re: Continuing Disclosure Undertaking of the Municipal Building Authority of Syracuse City, Utah

EMMA:

In accordance with the provisions of paragraph (b)(5)(i)(A) of Rule 15c2–12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Municipal Building Authority of Syracuse City, Utah (the "Authority"), files the enclosed Comprehensive Annual Financial Report of Syracuse City, Utah for the Fiscal Year Ended June 30, 2015 (the "2015 CAFR"); and the Supplemental Continuing Disclosure Memorandum of the Authority dated on or before January 31, 2016 (the "2016 SCDM"). This letter, the 2015 CAFR, and the 2016 SCDM constitute the annual financial information and operating data concerning the Authority to be filed in compliance with the Authority's obligation under that certain disclosure undertaking entered into in connection with the offering of the following securities described in the following Official Statement:

Securities (CUSIP®)	Official Statement
871821 AH7 and AJ3	$9,350,000 Municipal Building Authority of Syracuse City, Utah Lease Revenue Bonds, Series 2006 dated December 20, 2006

From the Authority's last annual disclosure filing on EMMA (filed on January 27, 2015) to the date of the 2016 SCDM submitted herewith, no event described in paragraph (b)(5)(i)(c) of the Rule has occurred that is required to be disclosed with respect to any of the above–described securities.

Sincerely,

Syracuse City, Utah

Stephen Marshall

Stephen Marshall, Finance Director

c: Zions Public Finance, Salt Lake City, Utah

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Supplemental

Continuing Disclosure Memorandum

Summary of Debt Structure and Financial Information
SEC Rule 15c2–12

For The

Municipal Building Authority of Syracuse City, Utah

Filed with
Electronic Municipal Market Access ("EMMA")
http://www/emma.msrb.org

Submitted and dated as of January 25, 2016
(Annual submission required by January 31, 2016)

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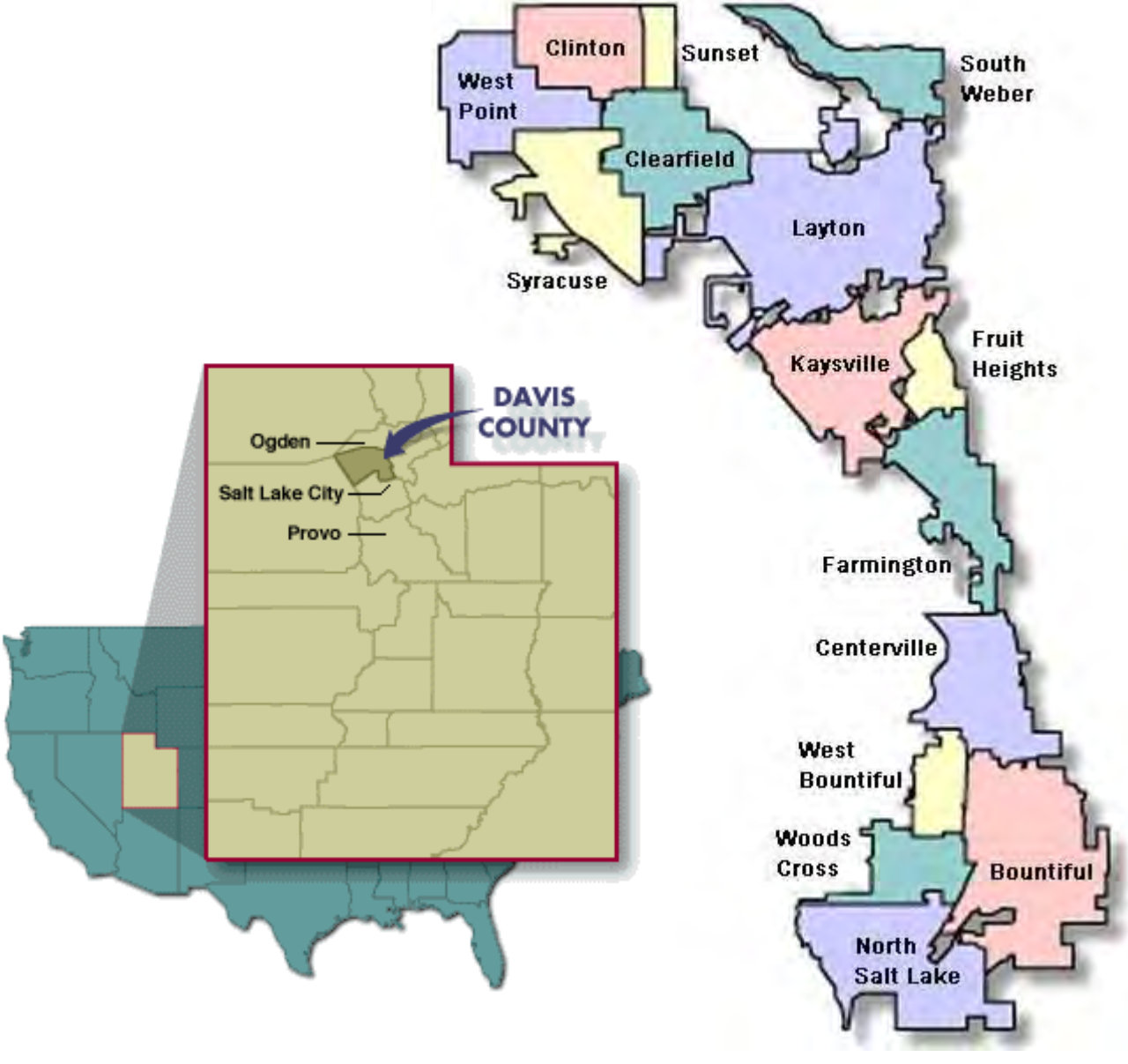
Clinton
Sunset
South Weber
West Point
Clearfield
Layton
Syracuse
Kaysville
Fruit Heights
DAVIS COUNTY
Ogden
Salt Lake City
Provo
Farmington
Centerville
West Bountiful
Woods Cross
Bountiful
North Salt Lake

GENERAL

Contact Person for the City

As of the date of this Supplemental Continuing Disclosure Memorandum, the chief contact person for the Municipal Building Authority of Syracuse City, Utah (the "Authority") and for Syracuse City, Utah (the "City") is:

Stephen Marshall, Finance Director
smarshall@syracuseut.com

Syracuse City
1979 W 1900 S
Syracuse UT 84065
801.825.1477 | f 801.825.3001

The City maintains an internet site that may be accessed at www.syracuseut.com. *The information available at this internet site is provided by the City in the course of its normal operations and has not necessarily been reviewed for accuracy or completeness. Such information has not been provided and is not a part of this Supplemental Continuing Disclosure Memorandum.*

When used herein the terms "Fiscal Year[s] 20YY," and "Fiscal Year[s] End[ed][ing] June 30, 20YY" shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding year.

The Issue

The Authority is providing continuing disclosure on the following bond issue:

$9,350,000
Municipal Building Authority of Syracuse City, Utah
Lease Revenue Bonds, Series 2006

Bonds dated: December 20, 2006—Bonds issued on: December 20, 2006
CUSIP numbers on the bonds are provided below.

Background Information. The $9,350,000 Lease Revenue Bonds, Series 2006, dated December 20, 2006 (the "Bonds"), were awarded pursuant to negotiated bidding on December 5, 2006 to George K. Baum & Company, Denver, Colorado at a "true interest rate" of 4.18%. Zions Public Finance, Inc., Salt Lake City, Utah, acted as Municipal Advisor.

The Bonds were issued as fully–registered bonds and registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"), which is acting as securities depository for the Bonds. Principal of and interest on the Bonds (interest payable April 1 and October 1 of each year) are payable by Zions Bank, a division of ZB, National Association, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, currently DTC.

Optional Redemption. The Bonds maturing on or before April 1, 2016, are not subject to redemption prior to maturity (except in the case of extraordinary redemption in the event of damage, destruction or condemnation to the project financed with the Bonds).The Bonds maturing on or after April 1, 2017, are subject to redemption, in whole or in part, on April 1, 2016 or on any date thereafter from such order of

maturity as shall be directed by the Authority and if fewer than all of the Bonds of a single maturity are to be redeemed, the trustee shall select the Bonds to be called for redemption by lot in such manner as the trustee may determine, at the redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date.

Current Maturity Schedule.

Current principal outstanding: $850,000 Original issue amount: $9,350,000

Dated: December 20, 2006 Due: April 1, as shown below

$850,000 Serial Bonds

Due April 1	CUSIP 871821	Principal Amount	Original Interest Rate	Due April 1	CUSIP 871821	Principal Amount	Original Interest Rate
2016……..	AH7	$415,000	5.00%	~~2020……..~~	~~AM6~~	~~$485,000~~	~~4.00%~~
2017……..	AJ3	435,000	3.75	~~2021……..~~	~~AN4~~	~~500,000~~	~~4.00~~
~~2018……..~~	~~AK0~~	~~445,000~~	~~3.80~~	~~2022……..~~	~~AP9~~	~~520,000~~	~~4.00~~
~~2019……..~~	~~AL8~~	~~$465,000~~	~~3.875~~				

~~$1,110,000 4.50% Term Bond due April 1, 2024 (CUSIP 871821 AR5)~~

~~$1,210,000 4.50% Term Bond due April 1, 2026 (CUSIP 871821 AT1)~~

~~$1,315,000 4.50% Term Bond due April 1, 2028 (CUSIP 871821 AV6)~~

(~~Strikethrough~~) Principal and interest have been refunded by the City's 2014 Lease Revenue Bonds (as defined herein), issued through a private placement. See "Outstanding Municipal Building Authority of Syracuse City Bonded Indebtedness" below.

Bank Qualified Obligations. The Authority and the City designated the Bonds as "qualified tax–exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, relating to the deductibility of certain financial institutions' interest expense allocable to tax–exempt interest.

Security. The Bonds and interest thereon are payable from, and are secured by a pledge of, the base rentals, the purchase option price, if paid by the City, and other amounts derived by the Authority under a master lease and an indenture, except to the extent payable from the proceeds of the Bonds and income from the investment thereof, certain moneys held under the indenture, proceeds from certain insurance policies, performance bonds, condemnation awards and liquidation proceeds, if any as provided in the indenture. The term of the master lease may be extended, solely at the option of the City, beyond the termination of each renewal term for an additional year and for consecutive additional renewal terms thereafter, each of one year in duration (except that the final renewal term commences on July 1, 2028 and ends on April 1, 2029). The continuation of the term of the master lease and the obligation of the City to pay base rentals after each current renewal term are subject to the appropriation by the City Council of the City of sufficient funds to extend the term of the master lease for the next renewal term and for each succeeding renewal term thereafter. Neither the master lease nor the Bonds constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation. The City has not pledged its credit to the payment of the master lease or the Bonds, and the City is not directly or contingently obligated to apply money from, or to levy or pledge, any form of taxation to the payment of the master lease or the Bonds. *The Authority has no taxing power*.

Credit Enhancement. The scheduled payment of principal of and interest on the Bonds when due are guaranteed under an insurance policy issued by National Public Finance Guarantee Corp. ("National").

MUNICIPAL BUILDING AUTHORITY OF SYRACUSE CITY, UTAH

Outstanding Municipal Building Authority of Syracuse City Bonded Indebtedness

The Municipal Building Authority lease revenue bonds below were issued on a parity basis and are cross–collateralized, in that the Authority grants to the trustee, for the benefit of the owners of all of the bonds issued under the indenture, a security interest in all of the Authority's right, title and interest in any projects financed or refinanced by the issuance of bonds. *The Authority's debt does not constitute debt within the meaning of any constitutional provision or statutory limitation which is applicable to the City.* The Authority has outstanding the following lease revenue bonds:

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2014 (1).....	Refunding	$6,481,000	April 1, 2028	$ 6,431,000
2012 (1).....	Refunding	5,572,000	April 1, 2028	4,649,000
2006 (2) (3).....	City buildings	9,350,000	April 1, 2017 (4)	850,000
Total.....				$11,930,000

(1) Not rated; no rating applied for. Purchased through a private placement.
(2) Rated "A+" by S&P, as of the date of this Supplemental Continuing Disclosure Memorandum. These bonds are insured by National.
(3) Portions of these bonds were refunded by the 2014 Bonds.
(4) Final maturity date after portions of this bond has been refunded by the 2014 Bonds.

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Debt Service Schedule Of Outstanding Municipal Building Authority Of Syracuse City, Utah Lease Revenue Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2014 $6,481,000 Principal	Series 2014 $6,481,000 Interest	Series 2012 $5,572,000 Principal	Series 2012 $5,572,000 Interest	Series 2006 $9,350,000 Principal	Series 2006 $9,350,000 Interest	Totals Total Principal	Totals Total Interest	Totals Total Debt Service
2015	$ 50,000	$ 55,394	$ 310,000	$ 133,495	$ 390,000	$ 185,914	$ 750,000	$ 374,802	$ 1,124,802
2016	66,000	168,622	313,000	130,302	415,000	37,063	794,000	335,986	1,129,986
2017	67,000	167,962	317,000	126,076	435,000	16,313	819,000	310,351	1,129,351
2018	512,000	167,158	323,000	121,289	0	0 (1)	835,000	288,448	1,123,448
2019	522,000	160,502	328,000	115,637	0	0 (1)	850,000	276,139	1,126,139
2020	532,000	152,672	334,000	109,372	0	0 (1)	866,000	262,044	1,128,044
2021	537,000	142,830	342,000	101,857	0	0 (1)	879,000	244,687	1,123,687
2022	549,000	131,016	350,000	93,649	0	0 (1)	899,000	224,665	1,123,665
2023	567,000	117,291	360,000	84,129	0	0 (1)	927,000	201,420	1,128,420
2024	578,000	101,699	369,000	73,689	0	0 (1)	947,000	175,388	1,122,388
2025	600,000	84,070	382,000	61,881	0	0 (1)	982,000	145,951	1,127,951
2026	613,000	64,870	395,000	48,702	0	0 (1)	1,008,000	113,572	1,121,572
2027	635,000	44,641	410,000	34,087	0	0 (1)	1,045,000	78,728	1,123,728
2028	653,000	23,051	426,000	17,892	0	0 (1)	1,079,000	40,943	1,119,943
Totals	$ 6,481,000	$ 1,581,780	$ 4,959,000	$ 1,252,056	$ 1,240,000	$ 239,289	$12,680,000	$ 3,073,126	$15,753,126

(1) Principal and interest have been refunded by the 2014 Bonds.

DEBT STRUCTURE OF SYRACUSE CITY, UTAH

Outstanding Municipal Debt Of The City

Other than outstanding capital leases (as discussed below), the City has no other debt obligations.

Other Financial Considerations

The City has several capital leases outstanding. See "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR THE FISCAL YEAR 2015—Notes to the Financial Statements–Note 8. Long–Term Debt."

FINANCIAL INFORMATION REGARDING SYRACUSE CITY, UTAH

Five–Year Financial Summaries

The summaries contained herein were extracted from the City's basic financial statements for Fiscal Years 2015 through 2011. The summaries have not been audited.

Additional Information. For a 10–year financial history of various City funds see "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR FISCAL YEAR 2015–Statistical Section" at the indicated pages as set forth below.

(i) Statement of net position see "Net Position by Component Last Ten Fiscal Years" (page 76);

(ii) Changes in net position see "Changes in Net Position Last Ten Fiscal Years" (page 77);

(iii) Changes in fund balance of governmental funds see "Changes in Fund Balance of Governmental Funds Last Ten Fiscal Years" (page 79); and

(iv) Fund balances of governmental funds see "Fund Balances of Governmental Funds Last Ten Fiscal Years" (page 81).

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Syracuse City

Statement of Net Position

(This summary has not been audited)

	June 30				
	2015	2014	2013	2012	2011
Assets					
Cash and cash equivalents	$ 7,113,903	$ 6,679,448	$ 6,411,543	$ 5,697,508	$ 5,195,677
Restricted cash and cash equivalents	5,513,525	5,773,182	3,425,036	3,572,199	1,790,883
Receivables:					
Taxes	2,867,147	2,588,123	3,132,635	2,442,554	2,252,147
Intergovernmental	1,267,789	152,042	–	–	–
Accounts, net	751,344	756,159	649,831	653,934	613,830
Net pension asset	114,989	–	–	–	–
Inventories	104,053	155,438	–	–	–
Prepaid expenses	7,104	1,885	58,687	621,982	800
Deposits	–	–	53,680	21,438	16,476
Unamortized costs of issuance	–	–	–	509,636	260,488
Capital assets not being depreciated:					
Water shares/rights	10,479,395	9,135,395	–	–	–
Land	7,478,275	7,475,651	–	–	–
Construction in progress	2,013,956	1,282,601	–	–	–
Capital assets, net of accumulated depreciation:					
Land improvements	3,983,419	3,646,049	–	–	–
Buildings and structures	16,145,433	16,759,081	–	–	–
Equipment, vehicles, and furnishings	2,355,958	1,959,265	–	–	–
Infrastructure	69,057,304	66,660,126	–	–	–
Land and related non–depreciable assets	–	–	19,938,056	18,144,878	17,674,158
Depreciable infrastructure	–	–	96,328,955	93,254,257	92,096,710
Buildings, equipment, and other depreciable assets	–	–	28,198,349	27,875,101	27,337,004
Less accumulated depreciation	–	–	(43,360,306)	(39,609,883)	(36,304,698)
Total assets	129,253,594	123,024,445	114,836,466	113,183,604	110,933,475
Deferred outflows of resources					
Relating to pensions	373,932	–	–	–	–
Loss on refunding	225,195	–	–	–	–
Total deferred outflows of resources	599,127	–	–	–	–
Total assets and deferred outflows of resources	$ 129,852,721	$ 123,024,445	$ 114,836,466	$ 113,183,604	$ 110,933,475
Liabilities					
Accounts payable	$ 2,970,596	$ 875,497	$ –	$ –	$ –
Net pension liability	1,503,412	–	–	–	–
Accrued liabilities	293,447	274,277	–	–	–
Developer and customer deposits–restricted asset	258,404	221,392	–	–	–
Accrued Interest payable	105,327	140,327	148,334	156,282	175,872
Unearned revenue	57,106	55,793	–	1,583,699	1,570,357
Accounts payable and accrued liabilities	–	–	1,744,876	1,337,159	1,001,474
Noncurrent liabilities					
Due within one year	1,153,627	1,179,983	1,101,733	1,159,354	884,344
Due in more than one year	12,177,902	13,300,962	14,264,225	15,341,425	15,082,465
Total liabilities	18,519,821	16,048,231	17,110,834	17,837,938	16,968,283
Deferred inflows of resources					
Deferred revenue–property taxes	2,195,180	1,987,839	1,953,385	–	–
Relating to pensions	347,295	–	–	–	–
Total deferred inflows of resources	2,542,475	1,987,839	1,953,385	–	–
Net Position					
Invested in capital assets	$ 98,686,953	$ 92,884,273	$ 86,040,105	$ 83,975,798	$ 85,397,392
Unrestricted	5,143,137	6,782,037	6,485,212	6,817,225	5,040,366
Restricted for:					
Impact fees	4,149,112	4,596,554	1,564,346	1,559,593	1,149,724
Community development	791,223	638,247	–	–	–
Park development	–	87,264	–	–	–
“C” Road activities	–	–	844,069	495,038	135,826
Redevelopment agency	–	–	690,181	–	–
Special revenue activities	–	–	–	690,508	428,132
Debt service	–	–	–	67,523	67,523
Total net position	108,770,425	104,988,375	95,623,913	93,605,685	92,218,963
Total liabilities, deferred inflows of resources and net position	$ 129,832,721	$ 123,024,445	$ 114,688,132	$ 111,443,623	$ 109,187,246

(Source: Information extracted from the City’s basic financial statements and required supplementary information which information has been audited.)

Syracuse City

Statement of Activities

(This summary has not been audited)

	Net (Expense) Revenues and Changes in Net Assets				
	June 30				
	2015	2014	2013	2012	2011
Primary government:					
Governmental activities:					
Parks and recreation	$ 260,051	$ (333,953)	$ (87,999)	$ (518,794)	$ (810,152)
Public safety	(2,907,930)	(3,586,264)	(3,546,980)	(3,285,863)	(3,411,500)
Highways and public improvements	(1,015,952)	(518,654)	(426,297)	(512,294)	1,623,620
Interest on long–term debt	(399,150)	(523,181)	(559,958)	(687,182)	(684,474)
General government	(396,321)	(963,030)	(962,398)	(837,818)	(696,545)
Total governmental activities	(4,459,302)	(5,925,082)	(5,583,632)	(5,841,951)	(3,979,051)
Business–type activities:					
Secondary water	1,931,946	612,765	322,622	223,186	803,415
Culinary water	497,713	490,996	587,155	174,830	795,487
Storm water	321,067	193,681	377,407	57,990	391,923
Sewer	(74,675)	(229,833)	46,452	32,395	580,410
Garbage	(3,940)	25,056	64,048	84,023	21,472
Total business–type activities	2,672,111	1,092,665	1,397,684	572,424	2,592,707
Total primary government	(1,787,191)	(4,832,417)	(4,185,948)	(5,269,527)	(1,386,344)
General revenues:					
Sales taxes	3,309,455	3,096,540	2,953,427	2,819,651	2,551,143
Property taxes	2,230,221	2,209,549	2,237,855	2,261,991	2,179,508
Franchise tax	1,368,165	1,396,533	1,337,696	1,267,451	1,228,857
Miscellaneous	159,712	278,282	133,602	98,187	99,980
Interest income	73,044	62,450	72,820	68,227	32,237
Gain or loss on sale of assets	49,482	29,025	(21,588)	140,742	20,886
Total taxes	7,190,079	7,072,379	6,713,812	6,656,249	6,112,611
Impact fees	–	–	–	–	479,252
Total general revenues	7,190,079	7,072,379	6,713,812	6,656,249	6,591,863
Changes in net position	5,402,888	2,239,962	2,527,864	1,386,722	5,205,519
Net position–beginning, as restated	104,988,375	95,623,913	93,605,685	92,218,963	87,013,444
Prior period adjustment	1,620,838	7,124,500	–	–	–
Net position–ending	$108,770,425	$104,988,375	$96,133,549	$93,605,685	$92,218,963

This report is presented is summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Assets” and is not intended to be complete. For a detailed itemized report see “COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR FISCAL YEAR 2015” below.

(Source: Information extracted from the City’s basic financial statements and required supplementary information which information has been audited.)

Syracuse City

Balance Sheet

Governmental Fund Types—General Fund (1)

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
Assets:					
Cash and cash equivalents	$ 3,060,188	$2,659,912	$1,834,663	$ 642,930	$1,012,943
Receivables:					
Taxes	2,867,147	2,219,037	–	2,381,594	2,217,945
Accounts receivable, net	109,796	103,972	38,180	33,125	32,905
Intergovernmental	1,245,784	152,042	–	–	–
Restricted cash and cash equivalents	3,417,212	3,287,837	1,678,877	1,836,074	383,142
Inventory	57,775	116,854	–	–	–
Prepaids	7,104	1,885	58,687	621,982	800
Due from other governments	–	–	2,414,074	–	–
Due from other funds	–	–	30,957	–	–
Deposits	–	–	53,680	21,438	16,476
Total assets	$10,765,006	$8,541,539	$6,109,118	$5,537,143	$3,664,211
Liabilities:					
Liabilities:					
Accounts payable	$ 1,845,921	$ 395,196	$ –	$ –	$ –
Accrued liabilities	250,543	234,770	–	–	–
Payables from restricted assets:					
Developer and customer deposits	90,063	124,567	–	–	–
Unearned revenue	57,106	53,808	–	–	–
Accounts payable and accrued liabilities	–	–	991,762	814,577	624,243
Deferred income	–	–	–	1,581,974	1,568,632
Total liabilities	2,243,633	808,341	991,762	2,396,551	2,192,875
Deferred inflows of resources					
Unavailable revenue - property taxes	2,195,180	1,664,697	1,615,802	–	–
Total deferred inflows of resources	2,195,180	1,664,697	1,615,802	–	–
Fund balances:					
Restricted for:					
Reserved for impact fees	2,315,513	3,066,113	763,265	585,143	247,316
Community development	791,223	–	–	–	–
Reserved for “C” roads	–	–	844,069	495,038	135,826
Unassigned	2,386,538	2,145,746	1,715,874	1,324,007	1,000,413
Assigned:					
Road maintenance	501,658	615,561	–	–	–
Park maintenance	123,715	43,991	12,557	65,307	16,687
Capital projects	77,165	–	–	–	–
Street lighting	57,036	78,351	53,422	27,677	53,818
MBA fund	8,466	–	–	–	–
Nonspendable:					
Inventory	57,775	116,854	–	–	–
Prepaids	7,104	1,885	–	–	–
Prepaids, deposits and inventory	–	–	112,367	643,420	17,276
Total fund balances	6,326,193	6,068,501	3,501,554	3,140,592	1,471,336
Total liabilities and fund balances	$10,765,006	$8,541,539	$6,109,118	$5,537,143	$3,664,211

(Source: Information extracted from the City’s basic financial statements and required supplementary information which information has been audited.)

Syracuse City

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
Revenues:					
Taxes	$ 5,232,588	$ 5,015,482	$ 4,849,920	$ 4,636,245	$ 4,333,403
Intergovernmental revenues	1,943,565	881,459	1,005,661	1,009,609	845,653
Charges for services	1,633,275	1,705,281	1,356,488	1,082,134	996,036
Impact fees	687,651	1,002,799	745,473	337,850	226,713
Licenses and permits	566,892	591,877	533,524	350,229	245,223
Fines and forfeitures	220,508	224,033	281,811	342,441	331,246
Miscellaneous revenue	58,609	156,040	107,709	68,458	84,377
Interest income	40,521	34,600	30,593	28,957	8,206
Management fee	25,427	24,538	59,134	106,983	63,000
Administrative fees	–	–	600,000	506,042	579,000
Total revenues	10,409,036	9,636,109	9,570,313	8,468,948	7,712,857
Expenditures:					
Current:					
Public safety	3,729,667	3,786,705	3,817,012	3,462,242	3,369,555
Highways and public improvements	3,431,863	2,381,973	2,170,559	1,121,517	1,282,843
General government	1,793,488	1,690,942	2,112,668	2,012,733	1,689,503
Parks and recreation	1,136,332	1,044,047	1,050,209	956,884	1,025,804
Debt service:					
Principal retirement	1,052,989	204,379	184,753	130,000	125,000
Interest and other	56,653	66,877	75,375	62,781	67,669
Total expenditures	11,200,992	9,174,923	9,410,576	7,746,157	7,560,374
Excess of revenues over (under) expenditures	(791,956)	461,186	159,737	722,791	152,483
Other financing sources (uses):					
Capital contributions	156,100	–	–	–	–
Transfer in	95,626	186,853	–	–	–
Transfer out	(78,932)	(41,553)	–	–	–
Sale of capital assets	–	1,960,461	14,242	156,404	–
Issuance of debt	–	–	–	803,268	–
Operating transfers in (out)	–	–	186,983	(13,207)	171,663
Total other financing sources (uses)	172,794	2,105,761	201,225	946,465	171,663
Net change in fund balances	(619,162)	2,566,947	360,962	1,669,256	324,146
Fund balance, beginning of year	6,068,501	3,501,554	3,140,592	1,471,336	1,147,190
Fund balance, end of year	$ 5,449,339	$ 6,068,501	$ 3,501,554	$ 3,140,592	$ 1,471,336

(Source: Information extracted from the City's basic financial statements and required supplementary information which information has been audited.)

Historical City Tax Rates

The maximum rate of levy applicable to the City for general fund operations authorized by State law is .007000 per dollar of taxable value of taxable property within the City.

	Tax Rate					
	Maximum Limit	2015	2014	2013	2012	2011
General Fund	.007000	.001639	.001659	.001787	.001832	.001821

(Source: Utah State Tax Commission.)

For a 10–year history of the City's property tax rates see "COMPREHENSIVE ANNUAL FINANCIAL REPORT Of SYRACUSE CITY, UTAH FOR FISCAL YEAR 2015–Statistical Section–Property Tax Rates–Direct and Overlapping Governments–Last Ten Fiscal Years" (page 84).

Comparative City Tax Rates

	Total City Tax Rate (Calendar Year)				
City (County) (1)	2015	2014	2013	2012	2011
Springville (Utah)	.001459	.002054	.002159	.002190	.002103
Kaysville (Davis)	.001782	.001826	.000999	.001028	.001035
American Fork (Utah)	.002362	.002540	.002750	.002812	.002794
Holladay (Salt Lake)	.001528	.001596	.001707	.001791	.001767
Syracuse (Davis)	*.001639*	*.001659*	*.001787*	*.001832*	*.001821*
Herriman (Salt Lake)	.000361	.000384	.000418	.000435	.000418
South Salt Lake (Salt Lake)	.002454	.002572	.002757	.002757	.002691
Eagle Mountain (Utah)	.001118	.001192	.001380	.001668	.001636
Clinton (Davis)	.002198	.002253	.001831	.001871	.001866

(1) The cities are based and ranked by the most populous according to 2014 population estimates from the U.S. Bureau of the Census.

(Source: Utah State Tax Commission.)

For a 10–year history of the City's property tax rates see "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR FISCAL YEAR 2015–Statistical Section–Property Tax Rates–Direct and Overlapping Governments–Last Ten Fiscal Years" (page 84).

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Tax Collection Record

Ad valorem property taxes are due on November 30th of each year. Information for November 30, 2015 is currently not available.

(1) Tax Year End 12/31	(2) Total Taxes Levied	(3) Treasurer's Relief	Net Taxes Assessed	Current Collections	(4) Deliq., Personal Property and Miscelleous Collections	Total Collections	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2014	$1,797,309	$64,606	$1,732,703	$1,666,313	$ 86,143	$1,752,456	96.2%	101.1%
2013	1,756,423	58,217	1,698,206	1,637,939	123,910	1,761,849	96.5	103.7
2012	1,734,965	54,394	1,680,571	1,584,059	89,870	1,673,929	94.3	99.6
2011	1,698,782	49,921	1,648,861	1,550,601	93,590	1,644,191	94.0	99.7
2010	1,663,496	42,594	1,620,902	1,524,309	77,845	1,602,154	94.0	98.8

(1) In addition to the Total Collections indicated above, the City collected Uniform Fees (fees–in–lieu payments) for tax year 2014 of $171,974; for tax year 2013 of $174,575; for tax year 2012 of $173,579; for tax year 2011 of $175,561; and for tax year 2010 of $180,270; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.
(2) Excludes redevelopment agencies valuation.
(3) Treasurer's Relief includes abatements. Abatements are levied against the property, but are never collected and paid to the entity.
(4) Delinquent Collections include interest; sales of real and personal property; and miscellaneous delinquent collections. Does not include fee–in–lieu payments.

(Source: Information taken from the Utah State Tax Commission reports.)

For a 10–year history of the City's presentation of property tax levies and collections see "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR FISCAL YEAR 2015–Statistical Section–Property Tax Levies and Collections–Last Ten Fiscal Years" (page 86).

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR FISCAL YEAR 2015

Included with this supplement is COMPREHENSIVE ANNUAL FINANCIAL REPORT OF SYRACUSE CITY, UTAH FOR THE FISCAL YEAR 2015.

Additionally, the current and historical financial reports of the City may be found on the State of Utah, State Auditor's website at:

http://reporting.auditor.utah.gov/

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SYRACUSE CITY CORPORATION

Syracuse, Utah

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2015

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SYRACUSE CITY CORPORATION

Syracuse, Utah

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by:

Stephen Marshall, CPA
Finance Director

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SYRACUSE CITY
LIST OF ELECTED AND APPOINTED OFFICIALS
For The Year Ended June 30, 2015

Elected Officials

Terry Palmer ---------- Mayor
Corinne Buldoc ---------- City Councilmember
Michael Gailey ---------- City Councilmember
Craig Johnson ---------- City Councilmember
Karianne Lisonbee ---------- City Councilmember
Douglas Peterson ---------- City Councilmember

Executive, Legal and Budgetary Officials

Brody Bovero ---------- City Manager
Paul Roberts ---------- City Attorney
Stephen Marshall ---------- Budget Officer

Statutory Appointed Officials

Garret Atkin ---------- Chief of Police
Cassie Z. Brown ---------- City Recorder
Brody Bovero ---------- City Treasurer
Robert Whiteley ---------- City Engineer

Department Directors

Brigham Mellor ---------- Community & Economic Development
Stephen Marshall ---------- Finance Director
Eric Froerer ---------- Fire Chief
T.J. Peace ---------- Information Technology Director
Catherine Hoskins ---------- Justice Court Judge
Kresta Robinson ---------- Parks & Recreation Director
Robert Whiteley ---------- Public Works Director

SYRACUSE CITY
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INTRODUCTORY SECTION

Mayor
Terry Palmer

City Council
Corinne Buldoc
Michael Gailey
Craig Johnson
Karianne Lisonbee
Douglas Peterson

To the Honorable Mayor, City Council, and Citizens of the City of Syracuse:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Syracuse City Corporation for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of Syracuse City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Syracuse City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Syracuse City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Syracuse City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Keddington & Christensen, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Syracuse City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Syracuse City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Syracuse City's MD&A can be found immediately following the report of the independent auditors.

Entities receiving funding from the federal government are federally mandated to undergo a "Single Audit" designed to meet the special needs of federal grantor agencies. The Single Audit Act of 1996 and the U. S. Office of Management and Budget's Circular A-133 governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Although the City received funds under federal financial assistance programs, the revenue was not sufficient to require a single audit.

The State of Utah requires the City to be audited in accordance with Government Auditing Standards (GAO Yellow Book 2013 Revision) and sets forth general requirements for auditors to follow in its Compliance Manual for Audits of Local Governments. The City is responsible for compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; and other special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah Legal Compliance Audit Guide.

Profile of the Government

Syracuse City was incorporated on September 3, 1935 and is located in the northern part of the state along the Wasatch Front. Syracuse became linked to Antelope Island State Park in 1969, with construction of a causeway. The City is the gateway to Antelope Island bringing 312,933 visitors in 2014, through the heart of the city. Syracuse City currently occupies a land area of 9.5 square miles and serves a population of approximately 27,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Syracuse City is governed by a six member council form of government. Policy-making and legislative authority are vested in a governing council consisting of a mayor and five other members, known as the City Council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City. The Mayor and City Council are elected on a non-partisan, at-large basis and serve four-year staggered terms.

Syracuse City provides a full range of services, including police and fire protection; culinary water, secondary water, storm water, sewer and sanitation; construction and maintenance of highways, streets, and other infrastructure; and recreational activities. The governing council of the City also serves as the Board of Directors for the Syracuse City Redevelopment Agency (RDA) and the Municipal Building Authority of Syracuse (MBA). The RDA and MBA are separate legal entities, but due to the oversight responsibilities of the City's governing council in the decision making process, they are reported within the financial statements of Syracuse City. Additional information on the RDA and MBA can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for Syracuse City's financial planning and control. All departments of the City are required to submit requests for appropriations to the Budget Officer in March of each year. The Budget Officer and City Manager use these requests as the starting point for developing a tentative budget. The Budget Officer then presents the tentative budget to the governing council at their first meeting in May. The council is required to hold public hearings on the tentative budget and to adopt a final budget no later than June 22nd. The appropriated budget is prepared by fund, and department (e.g., police). Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, this comparison is presented on pages 56-59 as part of the required supplementary information for the governmental funds. For other funds with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the supplementary section of this report, which starts on page 63.

Economic Conditions

The City has experienced a steady economic recovery over the past few years. This is evidenced by our revenues associated with construction, namely building permits and development impact fees. These revenue increases show signs that the housing market is recovering; however, even with the increases in building permit revenue over the past few years, the City still continues to remain below the growth levels seen during the 2004 to 2007 fiscal years.

The City's tax revenues continue to show signs of recovery in fiscal year 2015 with sales tax revenue up 6.9% over prior year. Property tax rates and levies by the City have remained relatively constant even though property values have increased by approximately 8.5% in Syracuse City. The property tax formula, provided in state law, is revenue based and the tax rate adjusts to provide the same revenue from year to year regardless of valuation changes. Property Tax revenues only increased due to new development and new homes built in Syracuse.

Long-Term Financial Planning

Financial policy dictates that unrestricted general fund balance be kept between 5% to 25% of general fund revenues. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs of that year. The unrestricted fund balance for fiscal year ended June 30, 2015, was 28.8% of general

fund revenues. The City has exceeded the 25% maximum, however, the City budgeted for a spend down of $501,658 in road funds in fiscal year 2016 to bring the unrestricted fund balance back into compliance at 24.0%.

The City uses a five year capital improvement plan to focus on upcoming projects that will require funding. Modification of the plan and reprioritization of projects takes place annually. The Council and management attempt to finance all City operations on a pay as you go basis. Issuing debt is avoided if at all possible.

The City has invested long-term in infrastructure by issuing bonds in 2006 and 2008 to construct a new city hall, fire station, and making significant modifications to its public works building and police station. These buildings and improvements will benefit the city for the next 30 to 40 years. The city plans to pay down its bonds over the next 13 years.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Syracuse City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the fifth consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. I would like to express my appreciation to all employees of the City who assisted and contributed to the preparation of this report, and to our auditors, Keddington & Christensen LLC, for their cooperation and hard work. Credit must also be given to the Mayor, City Council, and City Manager for their support for maintaining the highest standards of professionalism in the management of Syracuse City’s finances.

Respectfully submitted,

Stephen Marshall, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

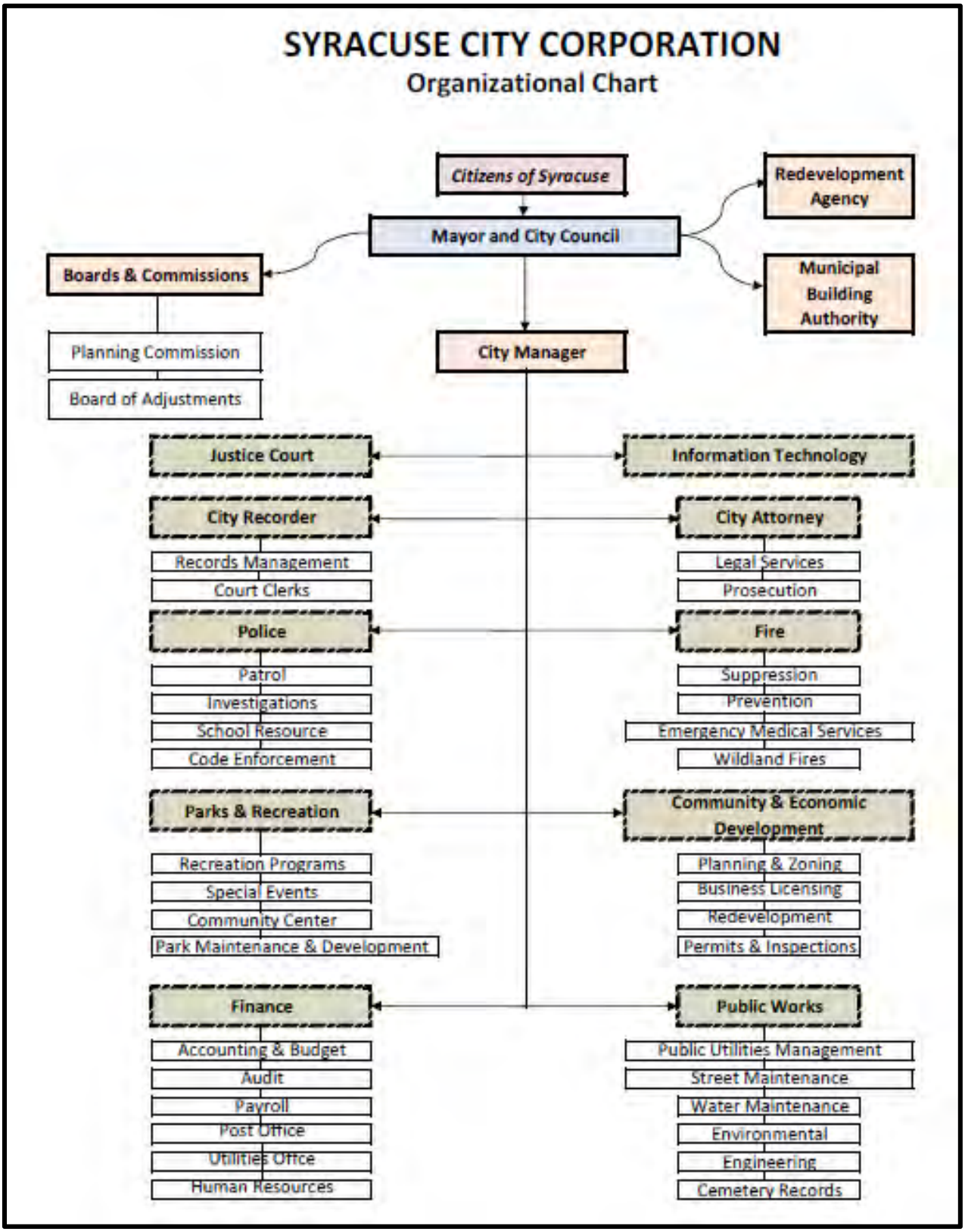
Syracuse City Corporation

Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO


SYRACUSE CITY CORPORATION
Organizational Chart
Citizens of Syracuse
Mayor and City Council
Redevelopment Agency
Municipal Building Authority
Boards & Commissions
Planning Commission
Board of Adjustments
City Manager
Justice Court
Information Technology
City Recorder
Records Management
Court Clerks
City Attorney
Legal Services
Prosecution
Police
Patrol
Investigations
School Resource
Code Enforcement
Fire
Suppression
Prevention
Emergency Medical Services
Wildland Fires
Parks & Recreation
Recreation Programs
Special Events
Community Center
Park Maintenance & Development
Community & Economic Development
Planning & Zoning
Business Licensing
Redevelopment
Permits & Inspections
Finance
Accounting & Budget
Audit
Payroll
Post Office
Utilities Office
Human Resources
Public Works
Public Utilities Management
Street Maintenance
Water Maintenance
Environmental
Engineering
Cemetery Records

FINANCIAL SECTION

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Syracuse City
Syracuse City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 16 to the financial statements, in 2015 the City adopted Governmental Accounting Standards Board Statement no. 68, *Accounting and Financial Reporting for Pensions—An Amendment to GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this.

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Fax (801) 265-9405

5292 So. College Dr., Suite 102
Salt Lake City, Utah 84123

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted on the table of contents, 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 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Syracuse's basic financial statements. The introductory section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Keddington & Christensen, LLC

December 2, 2015

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

The following is a discussion and analysis of Syracuse City's financial performance and activities for the year ended June 30, 2015. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis will assist the reader to gain a more complete knowledge of the City's financial performance.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the letter of transmittal and the City's financial statements.

Financial Highlights

- The assets of Syracuse City exceeded its liabilities and deferred inflows at June 30, 2015 by $108,770,425 (net position). Of this amount, $5,143,137 (unrestricted net position) may be used to meet the government's ongoing obligations.
- Syracuse City's total net position increased by $3,782,050 during the fiscal year. Net position of governmental activities increased $1,346,731 or 2.9%. Net position of business-type activities increased $2,435,319 or 4.2%. The majority of the increase in net position during the year came from infrastructure assets contributed by developers of new subdivisions (i.e. streets, water lines, secondary water shares, sewer lines, and storm drains) as well as increased revenue from sales tax and grants.
- Syracuse City's governmental funds reported combined ending fund balances of $6,326,193 at June 30, 2015. Approximately 49.9% or $3,154,578 of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the City's discretion or upon council approval.
- At June 30, 2015, unrestricted fund balance for the general fund was $3,068,947 or 28.8% of the total general fund revenues.
- Syracuse City's total debt decreased by $1,227,107 from principal payments on outstanding bonds and capital leases.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Syracuse City's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The financial statements also include information about Syracuse City Redevelopment Agency and the Municipal Building Authority of Syracuse City, blended *component units* of Syracuse City. Both entities are separate legal creations of Syracuse City but are reported here instead of having separate reports. A detailed explanation of the reporting entity is part of the notes to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of Syracuse City's finances in a manner similar to a private-sector business. The governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows of resources, with the difference between the reported categories as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader will need to consider other non-financial factors. This statement combines and consolidates governmental fund's current financial resources with capital assets and long-term obligations.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Syracuse City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Syracuse City include general government, public safety, highways and public improvements, and parks and recreation and public property. The business-type activities of Syracuse City Corporation include the Secondary Water Fund, Culinary Water Fund, Sewer Utility Fund, Storm Sewer Utility Fund, and Garbage Utility Fund.

Fund Financial Statements
A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Syracuse City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two types: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Syracuse City maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority which are all considered major funds.

Syracuse City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2015 budget.

Proprietary funds. Syracuse City Corporation maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Secondary Water Utility, Culinary Water Utility, Sewer Utility, Storm Sewer Utility, and Garbage Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Syracuse City Corporation uses an internal service fund to account for its information technology activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Syracuse City Corporation's assets exceeded its liabilities and deferred inflows by $108,770,425 at the close of the most recent year, June 30, 2015.

The largest portion of the City's net position, $98,686,953 (90.7%), reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. 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 liquidate these liabilities.

An additional portion of the City's net position, $4,940,335, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $5,143,137, may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed statement of net position:

Syracuse City Corporation's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 10,885,644	$ 9,775,312	$ 17,333,605	$ 15,466,360	$ 28,219,249	$ 25,241,672
Capital assets	55,874,556	54,126,214	45,139,789	43,656,559	101,014,345	97,782,773
Total assets	66,760,200	63,901,526	62,473,394	59,122,919	129,233,594	123,024,445
Total deferred outflows of resources	554,394	-	44,733	-	599,127	-
Total assets and deferred outflows of resources	67,314,594	63,901,526	62,518,127	59,122,919	129,832,721	123,024,445
Long-term liabilities outstanding	13,278,483	14,440,152	53,046	40,793	13,331,529	14,480,945
Other liabilities	3,678,460	963,542	1,509,832	603,744	5,188,292	1,567,286
Total liabilities	16,956,943	15,403,694	1,562,878	644,537	18,519,821	16,048,231
Total deferred inflows of resources	2,500,927	1,987,839	41,548	-	2,542,475	1,987,839
Net position:						
Net investment in capital assets	43,067,769	40,092,319	55,619,184	52,791,954	98,686,953	92,884,273
Restricted	3,106,736	3,791,624	1,833,599	1,530,441	4,940,335	5,322,065
Unrestricted	1,682,219	2,626,050	3,460,918	4,155,987	5,143,137	6,782,037
Total net position	$ 47,856,724	$ 46,509,993	$ 60,913,701	$ 58,478,382	$ 108,770,425	$ 104,988,375

At the end of the current fiscal year, Syracuse City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The following table summarizes Syracuse City's total revenues, expenses, and changes in net position for fiscal year 2015 and 2014:

Syracuse City Corporation's Changes in Net Position

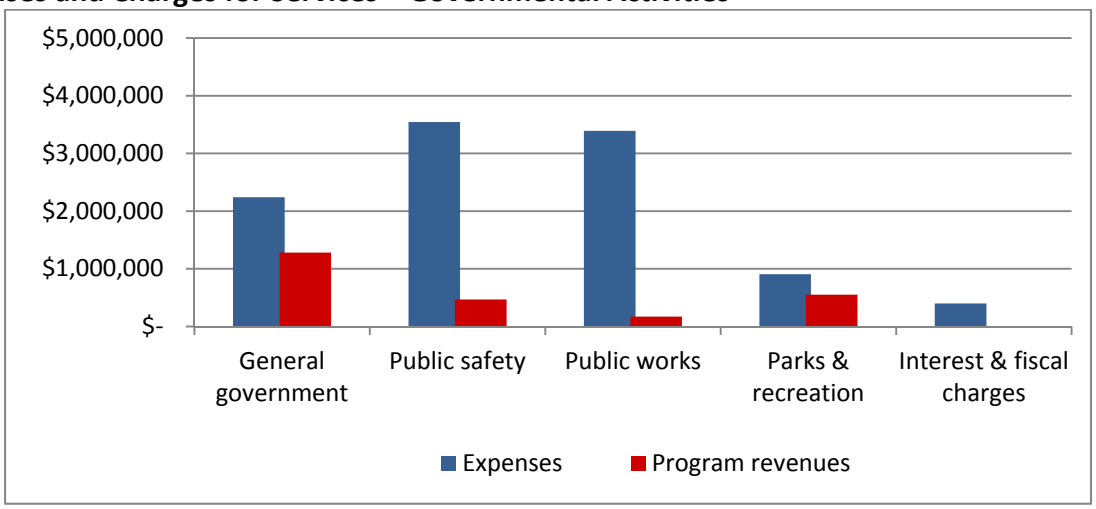
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 2,468,846	$ 2,562,869	$ 6,530,061	$ 6,102,860	$ 8,998,907	$ 8,665,729
Operating grants and contributions	134,091	159,315	-	-	134,091	159,315
Capital grants and contributions	3,419,661	1,826,198	2,966,454	1,450,988	6,386,115	3,277,186
General revenues:						
Property taxes	2,230,221	2,209,549	-	-	2,230,221	2,209,549
Other taxes	4,677,620	4,493,073	-	-	4,677,620	4,493,073
Other	229,503	273,975	52,735	95,782	282,238	369,757
Total revenues	13,159,942	11,524,979	9,549,250	7,649,630	22,709,192	19,174,609
Expenses:						
General government	2,240,878	2,400,600	-	-	2,240,878	2,400,600
Public safety	3,543,704	4,334,274	-	-	3,543,704	4,334,274
Highways and public improvements	3,392,400	1,913,320	-	-	3,392,400	1,913,320
Parks and recreation	905,768	1,302,089	-	-	905,768	1,302,089
Interest on long-term debt	399,150	523,181	-	-	399,150	523,181
Culinary Water	-	-	1,854,520	1,739,124	1,854,520	1,739,124
Sewer	-	-	1,837,672	1,554,024	1,837,672	1,554,024
Garbage	-	-	1,226,319	1,204,410	1,226,319	1,204,410
Secondary Water	-	-	1,336,431	1,405,628	1,336,431	1,405,628
Storm Water	-	-	569,462	557,997	569,462	557,997
Total expenses	10,481,900	10,473,464	6,824,404	6,461,183	17,306,304	16,934,647
Increase in net position before transfers	2,678,042	1,051,515	2,724,846	1,188,447	5,402,888	2,239,962
Transfers	95,626	186,853	(95,626)	(186,853)	-	-
Increase (Decrease) in net position	2,773,668	1,238,368	2,629,220	1,001,594	5,402,888	2,239,962
Net position - beginning of year	46,509,993	44,908,125	58,478,382	50,715,788	104,988,375	95,623,913
Adjustment to implement GASB 68	(1,426,937)	363,500	(193,901)	6,761,000	(1,620,838)	7,124,500
Net position - end of year	$ 47,856,724	$ 46,509,993	$ 60,913,701	$ 58,478,382	$ 108,770,425	$ 104,988,375

Governmental activities. Governmental activities increased Syracuse City's net position by $1,346,731 in the current fiscal year. Key elements of the increase were as follows:

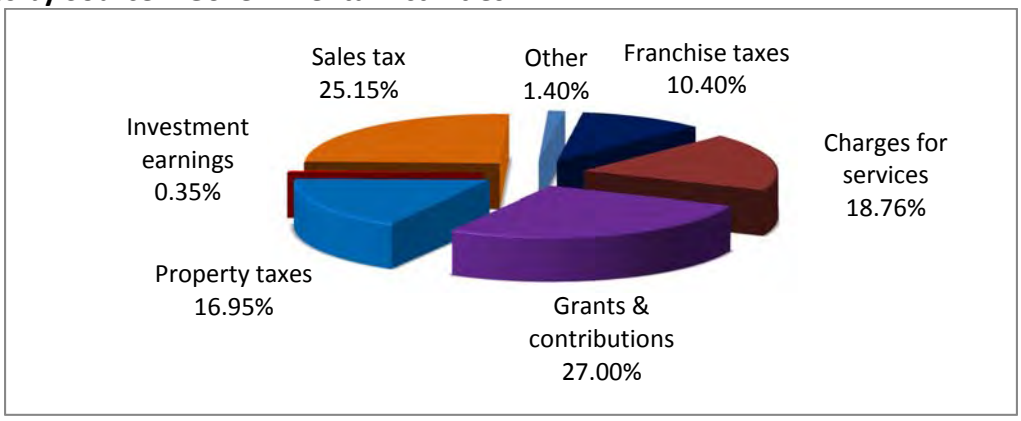
- Capital contributions from developers during fiscal year 2015 including streets, sidewalks, and curb and gutter totaled $490,408.
- Sales tax revenue increased 6.9% or $212,915 over the previous fiscal year while franchise taxes decreased 2.0% or $28,368.
- Capital grants increased by $1,047,677 due to funding for the 3000 west road expansion project during fiscal year 2015.
- Impact fees related to new development decreased by 29.6% or $288,928 over prior year.
- Net position was also adjusted by $1,426,937 due to a prior period adjustment to record GASB 68 related to pension expense.

The following graphs display a different perspective on governmental activities expenses compared to program revenues attributed to the activity:

Expenses and Charges for Services – Governmental Activities



Revenues by Source – Governmental Activities



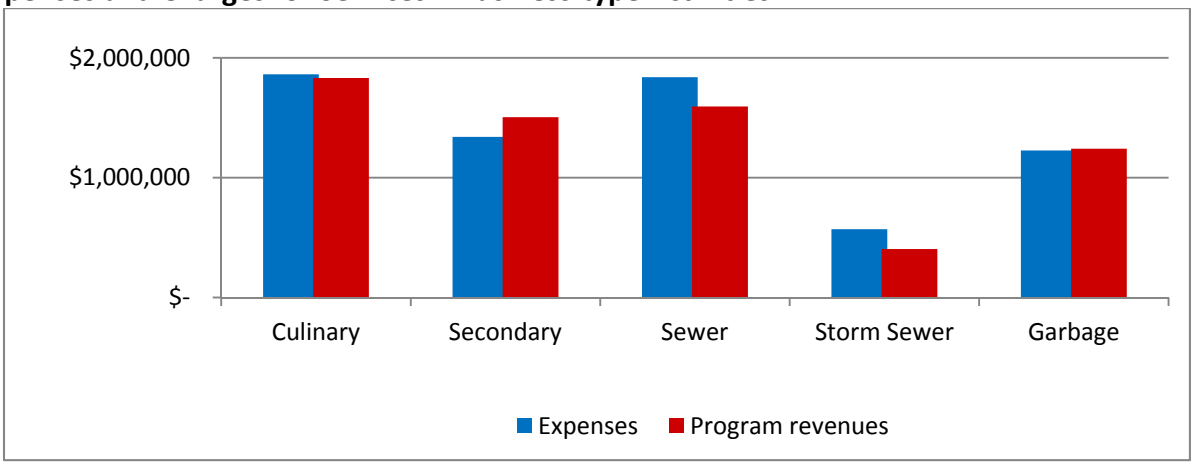
Business-type activities. Business-type activities increased Syracuse City's net position by $2,435,319 in the current fiscal year. At the end of the current fiscal year, all of the City's business-type funds reported a positive net position. Key elements of this change include:

- User fee revenue from culinary water, secondary water, sewer, storm sewer and garbage services had an increase of $427,201. This was mainly due to new homes paying for utility services and an increase in the sewer rate of $3.00/month per user.
- Capital grants increased by $1,515,466 due to contributions from developers during fiscal year 2015 including culinary & secondary water pipes, sewer lines, storm drains, and secondary water shares for new development.
- Impact fees related to new development decrease by 26.1% or $229,750.

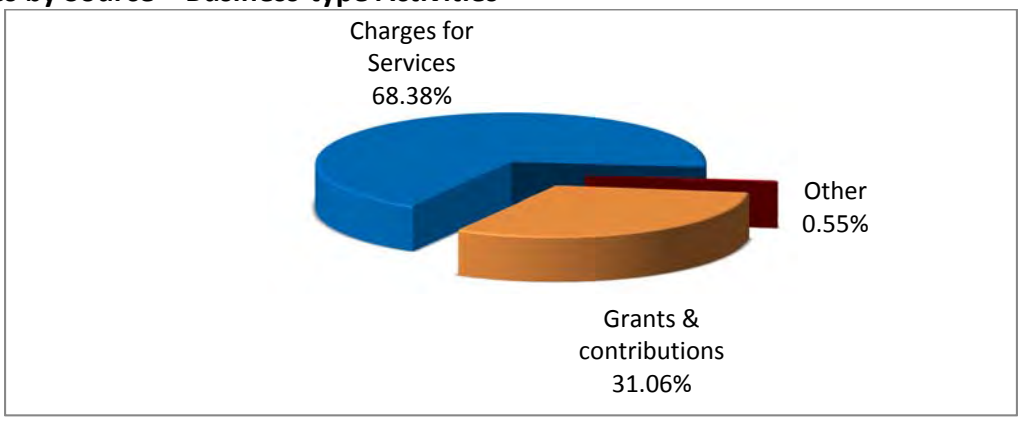
- Overall expenses increased by $363,221 primarily due to an increase in sewer district disposal fees of $274,380 and an increase in depreciation expense in the culinary water fund of 64,176.
- Net position was also adjusted by $193,901 due to a prior period to record GASB 68 related to pension expense.

The following graphs display a different perspective on business-type activities reflected in the City's statement of activities:

Expenses and Charges for Services – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

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

At June 30, 2015, the City's governmental funds reported combined ending fund balances of $6,326,193, a decrease of $630,222 from the prior year. There are five components of funds balance; nonspendable, restricted, committed, assigned, and unassigned. The nonspendable fund balance of $64,879 includes items that are prepaid expenses and inventory. The restricted fund balance totaling $3,106,736 is funds that must be spent for specific purposes and are externally restricted. Committed fund balances are not restricted but require council approval before monies can be spent. The City does not have any committed fund balances at June 30, 2015. The assigned fund balance of $768,040 is unrestricted in nature but has been assigned internally by management for a specific or intended use. Finally, unassigned fund balance of $2,386,538 is available for spending at the City's discretion and has not been assigned for a specific purpose.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance, which includes unassigned, assigned, and committed fund balances, of the General Fund was $3,068,947, while the total fund balance was $5,449,339. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund revenues of $10,660,762. Unrestricted fund balance represents 28.8% of total general fund revenues, while total fund balance represents 51.1% of that same amount.

During the fiscal year, the fund balance of Syracuse City's general fund decreased by $619,162. Key factors in the change are as follows:

- The City paid off its 2005 sales tax bond 6 years early. The total payoff was $985,000 of which, $835,000 was an increased expense over the prior year. The City saved $108,875 in interest expense by paying the bond off early.
- Sales tax revenue increased 6.9% or $212,915 over the previous fiscal year while franchise taxes decreased 2.0% or $28,368.

The fund balance of the Capital Improvement Fund decreased by $164,405 or 68%. This decrease was due to the City using fund balance to complete Chloe's Sunshine Park in May 2015.

The fund balance of the Redevelopment Fund increased by $152,976, while the Municipal Building Authority Fund balance increased by $369. The increase in the Redevelopment Fund was due to tax increment revenue exceeding budgeted costs for fiscal year 2015.

Proprietary funds. Syracuse City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the culinary water fund at the end of the fiscal year 2015 was $1,020,126, for the sewer utility fund the unrestricted net position was $1,245,692, for the garbage utility fund the unrestricted net position was $431,825, for the secondary water utility fund the unrestricted net position was $563,550, and for the storm water utility fund the unrestricted net position was $173,126. The change in net position for the five utility funds were as follows: Culinary water utility fund decreased $721,640, sewer utility fund increased $170,584, garbage utility fund increased $1,646, secondary water utility fund decreased $68,847, and storm water utility fund decreased $92,287.

Operating revenues for the Culinary Water Utility Fund increased 4.2% or $73,250 from the prior year. Operating expenses increased 7.5% or $129,582. These increases are primarily due to an increase in number of customers in the culinary system and an increase in depreciation expense of $64,176 over the prior year due to new projects that were completed during the fiscal year.

Operating revenues for the Sewer Utility Fund increased 22.3% or $290,884 from the prior year. Expenses increased 18.4% or $286,013. This increase in revenue and expense is mainly attributed to a $3.00 increase in sewer collection fees and an increase in disposal fees paid to the sewer district.

Operating revenues for the Garbage Utility Fund decreased by 0.1% or $9,087. Expenses increased 2.0% or $24,274 over prior year. These increases were primarily due to an increase in number of customers in the collection system. The City reduced its garbage fee by $0.50 per can and transferred that cost to the storm water utility fee.

Operating revenues for the Secondary Water Utility Fund increased by 1.3% or $18,973. Expenses increased 4.4% or $62,103. These increases are primarily due to an increase in number of customers in the secondary water system and a reduction in the amount transferred to the General Fund for payment of the 2005 sales tax bond for Jensen Park.

Operating revenues and expenses for the Storm Water Utility Fund increased by 14.9% or $52,550. Expenses increased 2.5% or $13,830. The increase in revenue is mainly due to a $0.50 rate increase in the storm water utility fee. The increase in expense was primarily due to an increase in number of customers in the utility system.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and other financing uses was amended from an original total of $12,446,707 to a final budget of $15,357,121, an increase of $2,910,414. Some of the more significant changes to expenditure items are as follows:

- Increase in funding for various road construction projects totaling $1,678,000.
- Increase in expense totaling $835,000 to pay off the 2005 sales tax bond.
- Increase in expense of $50,000 for an efficiency audit.
- Increase in expense of $50,000 for a parks master plan.
- Increase in expense of $48,500 for street light installation.
- Increase in parks and recreation expense budget of $125,000 for purchase of ice rink, hiring a contract special events coordinator, and a bathroom for Chloe's Sunshine playground.
- Increase in various other expenses totaling approximately $124,000.

Budget to actual. At the conclusion of the fiscal year, there were some differences between final budgeted revenues and expenditures and actual results. Most revenue classifications actual revenue amounts were right on target with the budgeted amounts with the exception of intergovernmental revenue and impact fees. The intergovernmental revenue fell short of budgeted amounts by $2,272,180. This is due to the 3000 west project that was not completed at year end. The impact fee revenue also fell short of budgeted amounts by $110,333 due to slower development than what was anticipated. The remaining revenue accounts combined all came within $816 of the budgeted amounts. In total, general fund revenue fell short of the budget expectations by $2,381,697, while general fund expenditures came in $4,156,129 below budgeted amounts.

Capital Assets and Debt Administration

Capital assets. Syracuse City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to $111,493,740 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was $4,575,572 or 4.3% (a 3.2% increase totaling $1,748,342 for governmental activities and a 5.4% increase totaling $2,827,230 for business-type activities). Major capital asset events during the current fiscal year include the following:

- 3000 west construction project from 1200 south to 200 south - $1,495,334.
- 1000 west construction project from 1700 south to 2075 south - $657,295.
- 700 south construction project from 1500 west to 2000 west - $868,154.
- Construction of Chloe's Sunshine Park - $449,081.

- 2000 west construction project from 2700 south to Gentile Street - $444,535
- Marilyn Acres phase II and Smedley Acres phase I construction projects - $1,284,858.
- Infrastructure from developers through acceptance of new subdivision, $1,437,529. Includes curb, gutter, sidewalks, roads, culinary water lines, secondary water lines, sewer lines, storm drains, and land drains
- Secondary water stock donated for development - $1,334,000.
- Purchase of 10 new police vehicles and an ambulance - $574,007.
- Various equipment, vehicles, park improvements - $266,101.
- Depreciation expense on existing assets – $(4,196,381).

Syracuse City Corporation's Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Water shares/rights	$ -	$ -	$ 10,479,395	$ 9,135,395	$ 10,479,395	$ 9,135,395
Land	7,431,842	7,429,218	46,433	46,433	7,478,275	7,475,651
Construction in progress	1,581,140	403,739	432,816	878,862	2,013,956	1,282,601
Land improvements	3,193,906	2,836,443	789,513	809,606	3,983,419	3,646,049
Buildings and structures	15,602,862	16,192,659	542,571	566,422	16,145,433	16,759,081
Equipment, vehicles, and furnishings	1,881,011	1,546,822	474,947	412,443	2,355,958	1,959,265
Infrastructure	26,183,795	25,717,333	42,853,509	40,942,793	69,037,304	66,660,126
Total	$ 55,874,556	$ 54,126,214	$ 55,619,184	$ 52,791,954	$ 111,493,740	$ 106,918,168

Additional information on Syracuse City's capital assets can be found in note 5 on pages 42 and 43 of this report.

Long-term debt. In April 2005, the City issued $2,100,000 in sales tax revenue bonds to fund the acquisition of water shares, the construction of a water reservoir, and improvements to the parks and secondary water system. Principal payments were due annually in April through 2020. However, the City elected to pay this bond off early during fiscal year 2015. Total interest savings was $108,875 by paying the bond off early.

At the end of the current fiscal year, the City's blended component unit, the Municipal Building Authority of Syracuse City (MBA), had total bonded debt outstanding of $11,930,000. The bonds were issued for the purpose of financing the construction of a new city hall, a public works addition, remodel of the police station and construction of a new city fire station. The bonds mature in 2028 with principal payments due annually in March. Interest is due semi-annually in March and September.

Syracuse City Corporation's Outstanding debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
2005 Park Devlopment Bond	$ -	$ 985,000	$ -	$ -	$ -	$ 985,000
2006 MBA Facilites Bond	850,000	7,290,000	-	-	850,000	7,290,000
Plus 2006 Bond Premium	-	143,942	-	-	-	143,942
2012 MBA Fire Station Bond	4,649,000	4,959,000	-	-	4,649,000	4,959,000
2014 MBA Lease Refunding	6,431,000	-	-	-	6,431,000	-
Capital Lease - 10 Wheeler	38,141	75,227	-	-	38,141	75,227
Capital Lease - Police Vehicles	-	74,590	-	-	-	74,590
Capital Lease - Police Vehicles	400,500	-			400,500	-
Capital Lease - Street Lights	438,147	506,136	-	-	438,147	506,136
Total	$ 12,806,788	$ 14,033,895	$ -	$ -	$ 12,806,788	$ 14,033,895

Additional information on Syracuse City's long-term debt activity can be found in note 8 on pages 44-48 of this report.

Economic Factors and Next Year's Budgets

Sales tax revenues for the fiscal year ended June 30, 2015 was 6.9% or $212,915 higher than the previous year. It is expected that sales tax revenue will continue to grow as the economy continues to recover from the recession. Construction of new homes has been above expectations and revenues associated with residential construction have been close to the budgeted amounts for fiscal year 2015. The city anticipates that new construction will continue and that building permits revenue in fiscal year 2016 will be comparable to the amounts in fiscal year 2015. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2015 was 3.4%. This is 0.1% lower than the 3.5% for June 2014. The rate reported for the State of Utah for June 2015 was 3.5%. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2015 of 5.3%. County and state unemployment rates have been decreasing slightly over the past year. The City anticipates that unemployment rates will continue to stay low in the next few years.

These factors along with other economic factors were considered in preparing the 2016 fiscal year budget.

Request for Information

This financial report is designed to provide a general overview of Syracuse City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1979 West 1900 South, Syracuse, Utah 84075. The report is also posted on the City's website at www.syracuseut.com

BASIC FINANCIAL STATEMENTS

SYRACUSE CITY
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 3,106,192	$ 4,007,711	$ 7,113,903
Receivables:			
Taxes	2,867,147	-	2,867,147
Accounts, net	109,796	641,548	751,344
Intergovernmental	1,245,784	22,005	1,267,789
Internal balances	(26,599)	26,599	-
Prepaids	7,104	-	7,104
Inventories	57,775	46,278	104,053
Restricted Cash and cash equivalents	3,417,212	2,096,313	5,513,525
Capital assets not being depreciated:			
Water shares/rights	-	10,479,395	10,479,395
Land	7,431,842	46,433	7,478,275
Construction in progress	1,581,140	432,816	2,013,956
Capital assets, net of accumulated depreciation:			
Land improvements	3,193,906	789,513	3,983,419
Buildings and structures	15,602,862	542,571	16,145,433
Equipment, vehicles, and furnishings	1,881,011	474,947	2,355,958
Infrastructure	26,183,795	42,853,509	69,037,304
Net Pension asset	101,233	13,756	114,989
Total Assets	66,760,200	62,473,394	129,233,594
Deferred Outflows of Resources			
Deferred loss on refunding	225,195	-	225,195
Deferred outflows relating to pensions	329,199	44,733	373,932
Total Deferred Outflows of Resources	554,394	44,733	599,127
Total Assets and Deferred Outflows of Resources	67,314,594	62,518,127	129,832,721

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2015

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	$ 1,846,097	$ 1,124,499	$ 2,970,596
Accrued liabilities	256,309	37,138	293,447
Accrued interest payable	105,327	-	105,327
Unearned revenue	57,106	-	57,106
Developer and customer deposits - restricted asset	90,063	168,341	258,404
Noncurrent liabilities:			
Due within one year	1,137,960	15,667	1,153,627
Due in more than one year	12,140,523	37,379	12,177,902
Net pension liability	1,323,558	179,854	1,503,412
Total Liabilities	16,956,943	1,562,878	18,519,821
Deferred Inflows of Resources			
Deferred revenue - property taxes	2,195,180	-	2,195,180
Deferred inflows relating to pensions	305,747	41,548	347,295
Total Deferred Inflows of Resources	2,500,927	41,548	2,542,475
Net Position			
Net investment in capital assets	43,067,769	55,619,184	98,686,953
Restricted for:			
Impact fees	2,315,513	1,833,599	4,149,112
Community development	791,223	-	791,223
Unrestricted	1,682,219	3,460,918	5,143,137
Total Net Position	47,856,724	60,913,701	108,770,425
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 67,314,594	$ 62,518,127	$ 129,832,721

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Government Activities							
General governmental	$ 2,240,878	$ 1,279,365	$ -	$ 565,192	$ (396,321)	$ -	$ (396,321)
Public safety	3,543,704	466,633	134,091	35,050	(2,907,930)	-	(2,907,930)
Highways and public improvements	3,392,400	171,720	-	2,204,728	(1,015,952)	-	(1,015,952)
Parks and recreation	905,768	551,128	-	614,691	260,051	-	260,051
Interest on long-term debt	399,150	-	-	-	(399,150)	-	(399,150)
Total Governmental Activities	10,481,900	2,468,846	134,091	3,419,661	(4,459,302)	-	(4,459,302)
Business-type Activities							
Culinary Water	1,854,520	1,806,130	-	546,103	-	497,713	497,713
Sewer	1,837,672	1,593,127	-	169,870	-	(74,675)	(74,675)
Garbage	1,226,319	1,222,379	-	-	-	(3,940)	(3,940)
Secondary Water	1,336,431	1,504,946	-	1,763,431	-	1,931,946	1,931,946
Storm Water	569,462	403,479	-	487,050	-	321,067	321,067
Total Business-type Activities	6,824,404	6,530,061	-	2,966,454	-	2,672,111	2,672,111
Total Government	$ 17,306,304	$ 8,998,907	$ 134,091	$ 6,386,115	(4,459,302)	2,672,111	(1,787,191)
			General Revenues				
			Property taxes		2,230,221	-	2,230,221
			Sales taxes		3,309,455	-	3,309,455
			Franchise taxes		1,368,165	-	1,368,165
			Interest income		45,759	27,285	73,044
			Miscellaneous		134,262	25,450	159,712
			Gain on sale of capital assets		49,482	-	49,482
			Transfers		95,626	(95,626)	-
			Total General Revenues and Transfers		7,232,970	(42,891)	7,190,079
			Changes in Net Position		2,773,668	2,629,220	5,402,888
			Net Position, Beginning		46,509,993	58,478,382	104,988,375
			Adjustment to implement GASB 68 - note 16		(1,426,937)	(193,901)	(1,620,838)
			Net Position, Ending		$ 47,856,724	$ 60,913,701	$ 108,770,425

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 2,851,854	$ -	$ 8,466	$ 199,868	$ 3,060,188
Receivables:					
Taxes	2,333,822	445,395	-	87,930	2,867,147
Accounts receivable, net	109,183	-	-	613	109,796
Intergovernmental	1,215,791	-	-	29,993	1,245,784
Prepaids	7,104	-	-	-	7,104
Inventory	57,775	-	-	-	57,775
Restricted cash and cash equivalents	2,525,789	891,423	-	-	3,417,212
Total Assets	$ 9,101,318	$ 1,336,818	$ 8,466	$ 318,404	$ 10,765,006
Liabilities					
Accounts payable	$ 1,504,482	$ 100,200	$ -	$ 241,239	$ 1,845,921
Accrued liabilities	250,543	-	-	-	250,543
Unearned revenue	57,106	-	-	-	57,106
Payables from restricted assets-					
Developer and customer deposits	90,063	-	-	-	90,063
Total Liabilities	1,902,194	100,200	-	241,239	2,243,633
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,749,785	445,395	-	-	2,195,180
Total Deferred Inflows of Resources	1,749,785	445,395	-	-	2,195,180
Fund Balances					
Nonspendable					
Prepaids	7,104	-	-	-	7,104
Inventory	57,775	-	-	-	57,775
Restricted					
Impact fees	2,315,513	-	-	-	2,315,513
Community development	-	791,223	-	-	791,223
Assigned					
Park maintenance	123,715	-	-	-	123,715
Street lighting	57,036	-	-	-	57,036
Road maintenance	501,658	-	-	-	501,658
MBA fund	-	-	8,466	-	8,466
Capital projects	-	-	-	77,165	77,165
Unassigned	2,386,538	-	-	-	2,386,538
Total Fund Balances	5,449,339	791,223	8,466	77,165	6,326,193
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,101,318	$ 1,336,818	$ 8,466	$ 318,404	$ 10,765,006

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	$	6,326,193
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		55,874,556
Accrued interest is not recorded in the funds.		(105,327)
Long-term liabilities, including bond payable and compensated absences, are not due and payable in the current period and therefore are not recorded in the funds.		(13,278,481)
Deferred outflows relating to the loss on refunding of debt is not current available resources and therefore is not included in the governmental funds.		225,195
Pension liabilities, pensions assets, and deferred inflows and outflows of resources relating to pensions are not current available resources, and are therefore not included in the governmental funds.		(1,173,193)
Internal service funds are used by management to charge the costs of information technology to other funds. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position. This is the net effect of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund.		(12,219)
Net position - governmental activities	$	47,856,724

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2015

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Revenues					
Taxes	$ 5,232,588	$ 307,088	$ -	$ 1,368,165	$ 6,907,841
Licenses and permits	566,892	-	-	-	566,892
Intergovernmental	1,943,565	-	-	201,244	2,144,809
Fines and forfeitures	220,508	-	-	-	220,508
Charges for services	1,633,275	-	-	-	1,633,275
Impact fees	687,651	-	-	-	687,651
Management fees	25,427	-	-	-	25,427
Lease revenue	-	-	1,097,000	-	1,097,000
Interest	40,521	3,528	369	1,154	45,572
Miscellaneous	58,609	-	-	151,707	210,316
Total Revenues	10,409,036	310,616	1,097,369	1,722,270	13,539,291
Expenditures					
Current:					
General government	1,793,488	-	-	-	1,793,488
Public safety	3,729,667	-	-	-	3,729,667
Highways and public improvements	3,431,863	-	-	-	3,431,863
Parks and recreation	1,136,332	-	-	-	1,136,332
Redevelopment	-	200,510	-	-	200,510
Lease payment	-	-	-	1,097,000	1,097,000
Miscellaneous	-	-	70,123	-	70,123
Debt service:					
Principal	1,052,989	-	750,000	111,677	1,914,666
Interest	56,653	-	374,802	2,695	434,150
Capital outlay	-	-	-	1,147,963	1,147,963
Total Expenditures	11,200,992	200,510	1,194,925	2,359,335	14,955,762
Excess (Deficiency) of Revenues Over (Under) Expenditures	(791,956)	110,106	(97,556)	(637,065)	(1,416,471)
Other Financing Sources (Uses)					
Capital contributions	156,100	-	-	72,160	228,260
Transfer in	95,626	42,870	36,062	-	174,558
Transfer out	(78,932)	-	-	-	(78,932)
Bond proceeds	-	-	6,481,000	400,500	6,881,500
Escrow deposit to refund bond	-	-	(6,419,137)	-	(6,419,137)
Total Other Financing Sources (Uses)	172,794	42,870	97,925	472,660	786,249
Net Change in Fund Balances	(619,162)	152,976	369	(164,405)	(630,222)
Fund Balance, Beginning	6,068,501	638,247	8,097	241,570	6,956,415
Fund Balance, Ending	$ 5,449,339	$ 791,223	$ 8,466	$ 77,165	$ 6,326,193

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
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, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	(630,222)
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(2,541,641)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.		3,800,781
Governmental funds do not report contributions of infrastructure from developers as a revenue in the governmental statements. It is recorded as part of the entity wide presentation.		493,032
Government funds have proceeds from the sale of assets as revenue. However, the statement of activities reports the gain or loss on the sale of assets.		(3,828)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amounts is the net effect of these differences in teh treatment of long-term debt and related items:		1,452,303
The Statement of Activities reports net pension expense and benefit expense from application of GASB 68 which is not reported in the fund statements.		223,179
In the statement of activities, accrued interest on debt is recorded.		35,000
The long-term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.		(65,439)
Internal service funds are used by management to charge the costs of information technology to individual funds. The net revenues or (costs) of these activities are eliminated at the government-wide level and a portion is allocated to the governmental activities.		10,503
Change in net position - governmental activities	$	2,773,668

The notes to the basic financial statements are an integral part of this statement.

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SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Assets							
Current Assets							
Cash and cash equivalents	$ 1,267,873	$ 1,275,010	$ 394,993	$ 789,234	$ 280,601	$ 4,007,711	$ 46,004
Accounts receivable, net	171,519	154,243	128,208	146,800	40,778	641,548	-
Intergovernmental receivable	22,005	-	-	-	-	22,005	-
Inventories	28,384	-	17,894	-	-	46,278	-
Total Current Assets	1,489,781	1,429,253	541,095	936,034	321,379	4,717,542	46,004
Noncurrent Assets							
Restricted cash and cash equivalents	290,170	71,253	-	575,334	1,159,556	2,096,313	-
Capital assets:							
Water shares/rights	363,750	-	-	10,115,645	-	10,479,395	-
Land	20,308	-	-	26,125	-	46,433	-
Land improvements	-	-	-	1,004,658	-	1,004,658	-
Buildings and structures	56,700	-	-	681,500	-	738,200	-
Equipment, vehicles, and furnishings	772,999	397,570	-	268,132	-	1,438,701	-
Construction in process	176,638	57,544	-	66,657	131,977	432,816	-
Deliver/Collection system	19,702,901	15,903,826	-	14,034,834	10,727,602	60,369,163	-
Less accumulated depreciation	(5,975,012)	(3,511,582)	-	(4,865,632)	(4,537,956)	(18,890,182)	-
Net pension asset	4,041	2,502	1,023	3,368	2,822	13,756	2,168
Total Noncurrent Assets	15,412,495	12,921,113	1,023	21,910,621	7,484,001	57,729,253	2,168
Total Assets	16,902,276	14,350,366	542,118	22,846,655	7,805,380	62,446,795	48,172
Deferred Outflows of Resources							
Deferred outflows relating to pensions	13,141	8,136	3,326	10,953	9,177	44,733	7,052
Total Assets, and Deferred Outflows of Resources	$ 16,915,417	$ 14,358,502	$ 545,444	$ 22,857,608	$ 7,814,557	$ 62,491,528	$ 55,224

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Liabilities							
Current Liabilities							
Accounts payable	$ 403,276	$ 209,621	$ 93,119	$ 315,035	$ 103,448	$ 1,124,499	$ 176
Compensated absences	4,575	2,891	577	4,902	2,722	15,667	-
Accrued liabilities	11,710	5,797	2,092	9,070	8,469	37,138	5,768
Total Current Liabilities	419,561	218,309	95,788	329,007	114,639	1,177,304	5,944
Noncurrent Liabilities							
Compensated absences	10,877	6,874	1,367	11,908	6,353	37,379	-
Customer deposits - payable from restricted assets	87,665	-	-	-	80,676	168,341	-
Net pension liability	52,835	32,712	13,374	44,037	36,896	179,854	28,351
Total Noncurrent Liabilities	151,377	39,586	14,741	55,945	123,925	385,574	28,351
Total Liabilities	570,938	257,895	110,529	384,952	238,564	1,562,878	34,295
Deferred Inflows of Resources							
Deferred inflows relating to pensions	12,205	7,557	3,090	10,173	8,523	41,548	6,549
Total Liabilities, and Deferred Inflows of Resources	583,143	265,452	113,619	395,125	247,087	1,604,426	40,844
Net Position							
Net invested in capital assets	15,118,284	12,847,358	-	21,331,919	6,321,623	55,619,184	-
Restricted for impact fees	193,864	-	-	567,014	1,072,721	1,833,599	-
Unrestricted	1,020,126	1,245,692	431,825	563,550	173,126	3,434,319	14,380
Total Net Position	16,332,274	14,093,050	431,825	22,462,483	7,567,470	60,887,102	14,380
Total Liabilities, Deferred Inflows of Resouces, and Net Position	$ 16,915,417	$ 14,358,502	$ 545,444	$ 22,857,608	$ 7,814,557	62,491,528	$ 55,224
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						26,599	
Total Liabilities and Net Position of Business-type Activities (page 18)						$ 62,518,127	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Operating Revenues							
Charges for services:							
Monthly service charge	$ 1,745,102	$ 1,534,627	$ 1,222,379	$ 1,446,746	$ 403,479	$ 6,352,333	$ 189,458
Connection and servicing fees	61,028	58,500	-	58,200	-	177,728	-
Intergovernmental	22,005	-	-	-	-	22,005	-
Miscellaneous	4,207	693	19,400	-	1,150	25,450	-
Total Operating Revenues	1,832,342	1,593,820	1,241,779	1,504,946	404,629	6,577,516	189,458
Operating Expenses							
Salaries, wages, and benefits	294,422	148,771	52,727	234,171	202,072	932,163	138,727
Operations and maintenance	618,232	92,160	75,349	413,360	148,444	1,347,545	24,940
Professional services	429,111	1,087,463	1,099,533	288,747	-	2,904,854	-
Depreciation	520,382	510,100	-	404,022	220,236	1,654,740	-
Miscellaneous	109	468	-	-	-	577	-
Total Operating Expenses	1,862,256	1,838,962	1,227,609	1,340,300	570,752	6,839,879	163,667
Operating Income (Loss)	$ (29,914)	$ (245,142)	$ 14,170	$ 164,646	$ (166,123)	$ (262,363)	$ 25,791

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Nonoperating Income (Expense)							
Interest income	$ 8,034	$ 5,887	$ 1,895	$ 5,248	$ 6,221	$ 27,285	$ 187
Total Nonoperating Income (Expense)	8,034	5,887	1,895	5,248	6,221	27,285	187
Income (loss) before capital contributions	(21,880)	(239,255)	16,065	169,894	(159,902)	(235,078)	25,978
Capital Contributions:							
Impact fees	194,418	-	-	215,812	239,754	649,984	-
Developer contributions	329,680	169,870	-	1,547,619	247,296	2,294,465	-
Transfers out	-	-	-	(95,626)	-	(95,626)	-
Change in Net Position	502,218	(69,385)	16,065	1,837,699	327,148	2,613,745	25,978
Net Position, Beginning	15,887,017	14,197,702	430,179	20,672,261	7,280,099	58,467,258	18,967
Adjustment related to GASB 68 - See note 16	(56,961)	(35,267)	(14,419)	(47,477)	(39,777)	(193,901)	(30,565)
Net Position, Ending	$ 16,332,274	$ 14,093,050	$ 431,825	$ 22,462,483	$ 7,567,470	$ 60,887,102	$ 14,380

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Cash Flows From Operating Activities							
Receipts from customers and users	$ 1,825,556	$ 1,560,256	$ 1,237,536	$ 1,471,615	$ 397,031	$ 6,491,994	$ -
Receipts from interfund services provided	990	1,070	600	27,084	1,297	31,041	189,458
Receipts from customer deposits	6,840	-	-	-	64,676	71,516	-
Payments to suppliers of goods or services	(457,168)	(1,060,109)	(1,143,546)	(225,024)	35,353	(2,850,494)	(31,884)
Payments to employees and related benefits	(300,326)	(154,414)	(53,708)	(235,969)	(206,485)	(950,902)	(143,612)
Payments for interfund services used	(313,550)	(73,651)	(41,562)	(220,954)	(105,740)	(755,457)	-
Net cash flows from operating activities	762,342	273,152	(680)	816,752	186,132	2,037,698	13,962
Cash Flows From Non-Capital Financing Activities							
Transfers out	-	-	-	(95,626)	-	(95,626)	-
Net cash flows from non-capital financing activities	-	-	-	(95,626)	-	(95,626)	-
Cash Flows From Capital and Related Financing Activities							
Acquisition and construction of capital assets	(1,470,388)	(64,994)	-	(522,841)	(131,437)	(2,189,660)	-
Proceeds from sale of capital assets	-	-	-	-	2,155	2,155	-
Capital grants	(22,005)	-	-	-	-	(22,005)	-
Impact fees received	194,418	-	-	215,812	239,754	649,984	-
Net cash flows from capital and related financing activities	(1,297,975)	(64,994)	-	(307,029)	110,472	(1,559,526)	-
Cash Flows From Investing Activities							
Interest on investments	8,034	5,887	1,895	5,248	6,221	27,285	186
Net cash flows from investing activities	8,034	5,887	1,895	5,248	6,221	27,285	186
Net Increase (Decrease) In Cash and Cash Equivalents	(527,599)	214,045	1,215	419,345	302,825	409,831	14,148
Cash and Cash Equivalents, Beginning	2,085,642	1,132,218	393,778	945,223	1,137,332	5,694,193	31,856
Cash and Cash Equivalents, Ending	$ 1,558,043	$ 1,346,263	$ 394,993	$ 1,364,568	$ 1,440,157	$ 6,104,024	$ 46,004

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Reconciliation of operating income to net cash flows from operating activities							
Earnings (loss) from operations	$ (29,914)	$ (245,142)	$ 14,170	$ 164,646	$ (166,123)	$ (262,363)	$ 25,791
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation	520,382	510,100	-	404,022	220,236	1,654,740	-
Changes in assets and liabilities							
Accounts receivable, net	(5,797)	(32,496)	(3,643)	(6,247)	(6,301)	(54,484)	-
Inventories	4,890	-	(12,584)	-	-	(7,694)	-
Accounts payable	271,476	45,836	2,380	255,952	76,574	652,218	(7,844)
Compensated absences	3,200	(6)	1,324	5,790	1,945	12,253	-
Net pension asset	(3,936)	(2,437)	(997)	(3,281)	(2,749)	(13,400)	(2,112)
Deferred outflows relating to pensions	(2,248)	(1,392)	(569)	(1,874)	(1,570)	(7,653)	(1,207)
Accrued liabilities	367	495	(22)	177	1,482	2,499	900
Customer deposits	6,840	-	-	-	64,676	71,516	-
Net pension liability	(15,123)	(9,363)	(3,829)	(12,606)	(10,561)	(51,482)	(8,115)
Deferred inflows relating to pensions	12,205	7,557	3,090	10,173	8,523	41,548	6,549
Net cash flows from operating activities	$ 762,342	$ 273,152	$ (680)	$ 816,752	$ 186,132	$ 2,037,698	$ 13,962
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	$ 329,680	$ 169,870	$ -	$ 1,547,619	$ 247,296	$ 2,294,465	$ -

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Syracuse (the City) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB.

The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The City is incorporated under the constitutional provisions of the State of Utah. The City operates under a Council- Mayor form of government. The Mayor and the five council members are elected at large with staggered terms. The Mayor is the administrative authority by statute. However, in Syracuse City, that responsibility has been delegated to the City Manager. Council has budgetary authority over all city departments and is accountable for all fiscal matters. City sales taxes, property taxes, utility user fees and development impact fees fund the majority of the costs of providing services to citizens including general administrative, judicial services (justice court), planning and zoning, public safety (police and fire), public utilities (culinary water, secondary water, sewer, storm water and garbage collection), highways and streets, parks-recreation, and public improvements.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

Blended Component Units - Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The reporting entity of these financial statements includes the Syracuse City Redevelopment Agency (RDA), and the Municipal Building Authority of Syracuse (MBA).

The RDA is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows the City to gather property tax increment dollars from increased property values to pay for improvements in designated redevelopment areas. Activities for the RDA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the RDA. The RDA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

Municipal Building Authority of Syracuse (MBA) is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows municipal facilities to be funded without requiring a vote of citizens. The MBA, as a separate entity, borrows monies and constructs municipal facilities which it owns. The City leases the structures from the MBA. These lease payments provide the revenue stream for the MBA to make the debt payments as they come due. The facilities are deeded to the government entity at the time the debt is extinguished. Activities for the MBA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the MBA. The MBA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements - The government-wide statements present information on all activities of the primary government and its blended component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of inter-fund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities and amounts of interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The *Statement of Net Position* presents the City's assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable within a specific function. The City does allocate insurance, legal fees, and other entity-wide expenses to individual funds. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental* and *proprietary funds*.

GASB 34 introduced the concept of *major funds* to the fund statements. Because governments typically have too many funds to include information on each individual fund with the basic financial statements, criteria has been established to identify those funds that are reported in separate columns *(major funds*) and those that are grouped together (*non-major funds).* Syracuse City has chosen to present each of the funds in separate columns and thus designated all of its funds as "major". The Information Technology Fund and MBA Fund did not meet the criteria of a "*major fund*".

Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund statements are also prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following governmental funds:

- General Fund – This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.
- RDA Fund – This special revenue fund accounts for all activities of the Syracuse City Redevelopment Agency. This fund is used to account for the property tax increment received for redevelopment.
- MBA Fund – This special revenue fund accounts for all activities of the Municipal Building Authority of Syracuse. The fund's revenue source is provided by lease payments made by the City.
- Capital Projects Fund – This fund accounts for the monies that are being accumulated to provide additional City facilities as growth creates specific needs.

The City reports the following proprietary funds:

- Secondary Water Fund – This fund accounts for the operations of the pressurized irrigation system throughout the City.
- Culinary Water Fund – This fund accounts for the operation of the culinary water service of the City.
- Sewer Fund – This fund accounts for the maintenance of the city portion of the North Davis Sewer District collection system.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Garbage Fund – The fund accounts for the costs of the system of garbage collection and disposition.
- Storm Sewer – This fund accounts for the maintenance and construction of storm sewers throughout the City.

The City reports the following internal service fund:

- Information Technology/Internal Service Fund – Internal Service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City maintains an information technology fund to allocate such costs to the various departments and funds of the City. This fund is reported on the proprietary fund statements but is combined with governmental activities on the government-wide statements.

Budgeting and Budgetary Control

Annual budgets are prepared and adopted before June 22nd for the calendar year commencing the following July 1st in accordance with the Uniform Fiscal Procedures Act for Utah Cities. Once a budget has been adopted, it remains in effect until it has been formally revised. If any obligations are contracted for in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Adopting the Annual Budget - Each Spring the budget officer submits a tentative operating budget to the City Council for the calendar year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. The tentative operating budget is reviewed and tentatively adopted by the City Council they also set a date for a public hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the budget officer and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

Control of budgeted expenditures is exercised, under state law, at the department level. Administrative control is maintained through detailed line-item budgets for all departments. All appropriations lapse at the end of the calendar year. Budgets for the General Fund, special revenue, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Budgets for proprietary funds are not legally required.

Modifying the Adopted Budget - Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Council. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the City Council will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During the year the City modified various budgets using the above procedure.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position

Cash and Investments - Cash and cash equivalents consist of demand deposits with a local bank. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. The City invests any cash that is not anticipated to be required within two weeks in the Public Treasurers Investment Fund (PTIF) administered by the State of Utah Treasurer's Office. Original maturities with PTIF are considered to be less than three months, thus, all deposits and investments are recorded at cost which is also considered to be fair value.

Accounts Receivable - Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established. Accounts Receivable from utility customers is offset by an allowance of estimated uncollectible accounts.

Taxes Receivable - Taxes receivable include accrued amounts for sales tax and property tax.

Sales tax collected on retail sales throughout the state, are forwarded to the Utah State Tax Commission. These taxes are processed centrally and distributed according to formula to each unit of government imposing a sales tax at the end of the second month after they have been collected by the retailer.

The property tax year runs from Jan 1st – Dec 31st of each year. Governing bodies actually establish a lien against properties as of the January 1st date even though the taxes are not due until November 30th. Each County bills and collects property taxes for all taxing entities within the County. Collections are distributed to the taxing entities monthly, with final settlement due March 31st of the subsequent year. The City records a receivable for those items actually collected by the County Treasurer but not yet transferred to the City and also the amount that is identified as a lien against the property to fund the coming year's services. This is shown as $2,195,180 of the taxes receivable and also a deferred inflow of resources.

Prepaid Expenses - Prepaid expenses consist of certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements and expensed as the items are used. The City uses the consumption method to record these items as expenditures when they are used rather than when they are purchased.

Inventory – Inventory in the General Fund consists of postage, other post office supplies, and road and street lighting supplies which are priced at cost using the first-in/first out method. Inventory in the enterprise funds consists of materials used in the repair of collection and distribution lines and refuse receptacles which are priced at cost using the first-in/first out method. The City uses the consumption method for inventories, under which inventory items are considered expenditures when used, rather than when purchased.

Due to/Due from other funds - All cash and cash equivalents are accounted for in a pooled cash process. The money from each fund is combined to simplify the banking process. A particular fund may make disbursements of funds that have not physically been received. This technically requires that they draw from other fund's resources within the combined total. When this cash deficit occurs a *due to* account is charged in the funds requiring additional funds and a *due from* account is selected to offset the use of funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Capital Assets - The City defines capital assets as assets with an initial cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost where historical cost information is not available. Donated capital assets are recorded at estimated fair value on the date of donation.

Capital assets purchased or constructed by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Water Stock is recorded as a capital asset. It is considered a key element of infrastructure rather than an investment instrument. Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Land improvements	30-50
Infrastructure Improvements	30-40
Buildings and structures	30-50
Equipment, vehicles, and furnishings	5 – 20

Capital assets are reported in the applicable governmental or business-type activities columns in the government wide financial statements.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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 only one type of item reported under this category.

Unavailable revenue- property taxes are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. These amounts are reported in both the government wide statements and the governmental fund statements.

Compensated Absences - City permanent full-time employees accrue vacation leave up to a maximum of 240 hours according to the following schedule:

Years of Service	Hours Accrued Per Pay Period
0 – 4 years	3.08 (10 days per year)
5 – 9 years	3.69 (12 days per year)
10 – 14 years	4.61 (15 days per year)
Over 14 years	6.15 (20 days per year)

Employees are allowed to carry up to 240 hours of unused vacation leave each year, and all unused vacation leave is paid to employees upon termination. Employees may also earn compensatory time but only at the discretion of the city manager. The rate is one and one-half hours for each hour worked, with a maximum accrual of 480 hours for public safety employees and 240 hours for all others.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Compensated Absences (Continued) - Vacation and compensatory leave are recorded as expenditures when used in governmental funds and as expenses when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

Permanent full-time employees accrue sick leave at a rate of 3.69 hours for each two-week pay-period. Sick leave may accrue to a maximum of 1,040 hours. Sick leave is recorded as an expenditure/expense when used in all funds. Upon retirement, the City will pay the employee for 20% of all unused sick leave hours. The employee who is terminated or resigns shall not be compensated for unused accrued sick leave. The City accrues a sick leave liability for 20% of the sick leave balance of employees estimated to retire within the next five years.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations - In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. 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. The face amount of debt issued is reported as other financing sources.

Net Position/Fund Balances - The difference between assets, deferred inflows of resources, and liabilities is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements.

Fund Financial Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned:

a. Nonspendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Fund Financial Statements (Continued)

c. Committed fund balance – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. Only the City Council may modify or rescind the commitment.
d. Assigned fund balance – Amounts that are designated by the Mayor for a specific purpose but are not spendable until budget ordinance is passed by City Council. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
a. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide Statements

The government-wide statements classify net position in three components:

(1) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, deferred inflows of resources or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
(2) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
(3) Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Revenues and Expenditures
Following are the City's significant policies related to recognition and reporting of certain revenues and expenditures:

Revenue Availability - Under the *modified accrual basis of accounting*, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Syracuse City considers property tax revenues to be "available" if they are collected by the Treasurer's Tax Collection Agency Fund before year-end. Sales taxes are considered revenue when they have been collected at the point of sale. Grants are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available and susceptible to accrual if they are received within 60 days after year-end.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditure Recognition - In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City generally uses restricted resources first, then unrestricted resources.

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents". Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository transactions. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. Utah statutes do not require deposits to be collateralized. Following are discussions of the City's exposure to various risks related to its cash management activities.

Deposits
Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City does not have a formal deposit policy for custodial credit risk. Cash on hand at June 30, 2015 was $2,168. The carrying amount of deposits was $644,541 and the bank balance was $575,622. Of the bank balance, $250,000 was covered by federal depository insurance and $325,622 was uninsured and uncollateralized.

Investments
The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes and other evidence of indebtedness of political subdivision of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund (PTIF). The PTIF is not registered with the SEC as an investment company.

The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance.

As of June 30, 2015, all of the $11,980,719 of City investments were deposited with the PTIF. This investment matures in less than a year and is not rated.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in the table below.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City's investment in the Utah Public Treasurer's Investment Fund has no concentration of credit risk.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2015 are as follows:

Cash on hand and on deposit:		
Petty Cash	$	2,168
Cash on Deposit		644,541
PTIF Investment		11,980,719
Total cash and investments	$	12,627,428
Cash and investments are included in the accompanying combined statement of net position as follows:		
Cash and cash equivalents	$	7,113,903
Restricted cash and cash equivalents		5,513,525
Total cash and investments	$	12,627,428

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating	Weighted Ave. Maturity (Yrs)
Cash on hand and on deposit:					
Cash on hand	$ 2,168	1	$ 2,168	N/A	N/A
Cash on deposit	644,541	1	644,541	N/A	N/A
Utah State Treasurer's investment pool accounts	11,980,719	1.00496	$12,040,143	N/A	N/A
Total cash on hand and deposit	$12,627,428		$12,686,852		

NOTE 3 ACCOUNTS RECEIVABLE, NET & ALLOWANCE FOR DOUBTFUL ACCOUNTS

Fund Type	Outstanding Balance	Allowance for Doubtful Accounts	Net	
Governmental Funds	$ 111,306	$ (1,510)	$ 109,796	*
Enterprise Funds	668,280	(26,732)	641,548	
Total	$ 779,586	$ (28,242)	$ 751,344	

* Governmental fund net accounts receivable balance includes an ambulance receivable booked at $72,119. The ambulance receivable was booked net of $48,400 that management has estimated to be uncollectible and/or not available within the 60 day availability period.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2015:

Customer/developer deposits	$ 258,404
Resident prepaid charges - unearned revenue	44,606
Developer - unearned street lighting revenue	12,500
Retainage payable	89,104
Community development	891,422
North Davis Sewer District unremitted impact fee payable	68,376
Impact Fees	4,149,113
Total restricted assets	$ 5,513,525

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015, is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities				
Capital assets, not being depreciated				
Land	$ 7,429,218	$ 2,624	$ -	$ 7,431,842
Construction in progress	403,739	3,139,543	(1,962,142)	1,581,140
Total capital assets, not being depreciated	7,832,957	3,142,167	(1,962,142)	9,012,982
Capital assets, being depreciated				
Land improvements	3,634,170	481,366	-	4,115,536
Buildings and structures	21,285,200	119,941	-	21,405,141
Equipment, vehicles, and furnishings	4,987,948	712,881	(693,002)	5,007,827
Infrastructure	43,841,883	1,799,598	(4,604,334)	41,037,147
Total capital assets, being depreciated	73,749,201	3,113,786	(5,297,336)	71,565,651
Less accumulated depreciation for				
Land improvements	(797,727)	(123,903)	-	(921,630)
Buildings and structures	(5,092,541)	(709,738)	-	(5,802,279)
Equipment, vehicles, and furnishings	(3,441,126)	(374,864)	689,174	(3,126,816)
Infrastructure	(18,124,550)	(1,333,136)	4,604,334	(14,853,352)
Total accumulated depreciation	(27,455,944)	(2,541,641)	5,293,508	(24,704,077)
Total capital assets, being depreciated, net	46,293,257	572,145	(3,828)	46,861,574
Governmental activities capital assets, net	$ 54,126,214	$ 3,714,312	$ (1,965,970)	$ 55,874,556

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	$ 292,347
Public safety	502,458
Highways and public works	1,433,284
Parks and recreation	313,552
Total depreciation expense - governmental activities	$ 2,541,641

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Business-type Activities				
Capital assets, not being depreciated				
Water stock/rights	$ 9,135,395	$ 1,344,000	$ -	$ 10,479,395
Land	46,433	-	-	46,433
Construction in process	878,862	2,027,651	(2,473,697)	432,816
Total capital assets, not being depreciated	10,060,690	3,371,651	(2,473,697)	10,958,644
Capital assets, being depreciated				
Land improvements	1,004,658	-	-	1,004,658
Buildings and structures	738,200	-	-	738,200
Equipment, vehicles, and furnishings	1,406,851	165,355	(133,505)	1,438,701
Infrastructure	59,461,022	3,420,817	(2,512,676)	60,369,163
Total capital assets, being depreciated	62,610,731	3,586,172	(2,646,181)	63,550,722
Less accumulated depreciation for				
Land improvements	(195,052)	(20,093)	-	(215,145)
Builds and improvements	(171,778)	(23,851)	-	(195,629)
Equipment, vehicles, and furnishings	(994,408)	(102,851)	133,505	(963,754)
Infrastructure	(18,518,229)	(1,507,945)	2,510,520	(17,515,654)
Total accumulated depreciation	(19,879,467)	(1,654,740)	2,644,025	(18,890,182)
Total capital assets, being depreciated, net	42,731,264	1,931,432	(2,156)	44,660,540
Business-type activities capital assets, net	$ 52,791,954	$ 5,303,083	$ (2,475,853)	$ 55,619,184

Depreciation expense was charged to functions/programs as follows:

Business-type activities	
Culinary water	$ 520,382
Sewer	510,100
Secondary water	404,022
Storm water	220,236
Total depreciation expense - business-type activities	$ 1,654,740

NOTE 6 DEFERRED INFLOWS

In conjunction with GASB pronouncement 33, "*Accounting and Financial Reporting for Nonexchange Transactions*" the City has accrued property tax receivable and a deferred outflow in the General Fund and Redevelopment Agency in the amounts of $1,749,785 and $445,395, respectively.

NOTE 6 DEFERRED INFLOWS (Continued)

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 30 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1, 2015 was not expected to be received within 30 days after the year ended June 30, 2015, the City was required to record receivable and deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2015.

NOTE 7 DEVELOPER AND CUSTOMER DEPOSITS

General fund deposits are principally deposits from developers that are held by the City until building projects receive the required City inspections and are in compliance with all City ordinances. As of June 30, 2015, the general fund developer and customer deposits balance held by the City was $90,063.

Residential utility customers pay a $75 deposit when they sign up for utilities. This is held by the City until twelve consecutive timely utility payments are made. It is then refunded to the customer. Additionally, the City collects and holds deposits from developers for storm water and fire hydrants. As of June 30, 2015, the customer and developer deposits balances held by the City was $115,665.

The City also maintains the cash balances for the Storm Water Coalition Trust. As of June 30, 2015 the balance of Storm Water Coalition deposits on had was $52,676.

NOTE 8 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2015:

	Long-term debt payable at June 30, 2014	Additions	Reductions	Long-term debt payable at June 30, 2015	Due within One Year
Governmental activities					
2005 Park Devlopment Bond	$ 985,000	$ -	$ (985,000)	$ -	$ -
2006 MBA Facilites Bond	7,290,000	-	(6,440,000)	850,000	415,000
Plus 2006 Bond Premium	143,942	-	(143,942)	-	-
2012 MBA Fire Station Bond	4,959,000	-	(310,000)	4,649,000	313,000
2014 MBA Lease Refunding	-	6,481,000	(50,000)	6,431,000	66,000
Capital Lease - 10 Wheeler	75,227	-	(37,086)	38,141	38,141
Capital Lease - Police Vehicles	74,590	-	(74,590)	-	-
Capital Lease - Police Vehicles	-	400,500	-	400,500	97,725
Capital Lease - Street Lights	506,136	-	(67,989)	438,147	76,537
Total bonds and leases payable	14,033,895	6,881,500	(8,108,607)	12,806,788	1,006,403
Compensated absences	406,257	273,119	(207,680)	471,696	131,558
Governmental activity long-term liabilities	$ 14,440,152	$ 7,154,619	$ (8,316,287)	$ 13,278,484	$ 1,137,961
Business-type activities					
Compensated absences	$ 40,793	$ 39,138	$ (26,885)	$ 53,046	$ 15,667
Business-type activity long-term liabilities	$ 40,793	$ 39,138	$ (26,885)	$ 53,046	$ 15,667

NOTE 8 LONG-TERM DEBT (Continued)

The compensated absence liability of governmental activities is liquidated in the General Fund. Additional information related to these long-term liabilities is found in the following tables including debt service requirements to maturity.

2005 Park Development Bond

On April 5, 2005, the City issued $2,100,000 in Sales Tax Revenue Bond Series 2005 for the purpose of acquiring and constructing a reservoir, improving secondary water utility, and constructing and acquiring a park and related improvements. These revenue bonds are due in annual principal installments through April 1, 2020, with interest payments due semi-annually. The bonds carry an interest rate of 4.00 to 4.30%. The security on the bonds is the sales tax collected by the city. In lieu of depositing $191,252 into a debt service reserve account for the life of the loan, the city opted to take out a debt service surety bond at the date of issuance. This bond was paid off during the current year.

2006 MBA Facilities Bond

On December 20, 2006, the MBA issued $9,350,000 in Lease Revenue Bonds, Series 2006 for the purpose of financing the construction of a new city hall, a public works addition, and the remodel of public safety structures. These lease revenue bonds are due in annual principal installments through March 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate which ranges from 3.75% to 5%. In lieu of depositing $715,446 into a debt service reserve account for the life of the loan, the city opted to take out a debt service surety bond at the date of issuance. The security on the bonds is the lease payments between the MBA and the City. This bond was issued at a premium of $226,191. During 2015, the City issued the 2014 Lease Revenue Refunding bond to complete a partial advanced refunding of this bond.

The annual debt service requirements to maturity for the MBA Lease Revenue Bonds, Series 2006, as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 415,000	$ 37,063	$ 452,063
2017	435,000	16,312	451,312
	$ 850,000	$ 53,375	$ 903,375

2012 MBA Fire Station Bond

On March 29, 2012, the MBA refinanced the 2008 Lease Revenue Bond and issued $5,572,000 in Lease Revenue bonds, Series 2012. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a debt service savings to the city of $249,879 and a net savings of $184,879. The $5,572,000 lease revenue bonds are due in annual principal installments through May 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 0.85% to 4.20%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0.

NOTE 8 LONG-TERM DEBT (Continued)

2012 MBA Fire Station Bond (Continued)

The annual debt service requirements to maturity for the MBA Lease Revenue Bonds, Series 2012, as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 313,000	$ 130,302	$ 443,302
2017	317,000	126,076	443,076
208	323,000	121,289	444,289
2019	328,000	115,637	443,637
2020	334,000	109,372	443,372
2021-2025	1,803,000	415,205	2,218,205
2026-2028	1,231,000	100,681	1,331,681
Total	$ 4,649,000	$ 1,118,562	$ 5,767,562

2014 MBA Lease Revenue Refunding Bonds

On December 1, 2014, the MBA refinanced part of the 2006 MBA Facilities Bond and issued $6,481,000 in Lease Revenue Refunding bonds, Series 2014. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures. The refinance provided a debt service savings to the city of $339,427 and a net savings of $277,564. The economic gain on this refunding was $285,708. The lease revenue refunding bonds are due in annual principal installments through April 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 0.75% to 3.53%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0.

Year Ending June 30,	Principal	Interest	Total
2016	$ 66,000	$ 168,622	$ 234,622
2017	67,000	167,962	234,962
2018	512,000	167,158	679,158
2019	522,000	160,502	682,502
2020	532,000	152,672	684,672
2021-2025	2,831,000	576,907	3,407,907
2026-2028	1,901,000	132,562	2,033,562
Total	$ 6,431,000	$ 1,526,387	$ 7,957,387

2012 Capital Lease – 10 Wheeler

On November 1, 2011, the city acquired a 10 Wheeler truck for the Public Works Department through a capital lease agreement for $183,000. The lease has an interest rate of 2.82% with principal and interest payments of 19,474 due semi-annually each November 1st and May 1st until May of 2016. Collateral held on the lease is the 10 wheeler truck and all additions and attachments made to it. As of June 30, 2015, the asset has a historical Cost of $180,775 with accumulated depreciation totaling $27,116.

NOTE 8 LONG-TERM DEBT (Continued)

2012 Capital Lease – 10 Wheeler (Continued)
The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year Ending June 30,	Amounts
2016	$ 38,949
Total minimum lease payments	38,949
Less: amount representing interest	(809)
Present value of minimum lease payments	$ 38,140

2012 Capital Lease – Police Vehicles
On February 15, 2012, Syracuse City purchased ten police vehicles through a capital lease agreement for $394,718. The lease has an interest rate of 2.7% with principal and interest payments due annually beginning February 15, 2012 and ending on February 15, 2015. Collateral on this lease is the police vehicles and all additions, and accessories on them. During the current year this lease was paid off.

2014 Capital Lease – Police Vehicles
On November 26, 2014, Syracuse City purchased ten police vehicles and a Code Enforcement trucks through a capital lease agreement for $400,500. The lease has an interest rate of 1.620% with principal and interest payments due annually beginning November 26, 2015 and ending on November 26, 2018. Collateral on this lease is the police vehicles and all additions, and accessories on them. As of June 30, 2015, these assets have a total accumulated depreciation of $33,375.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year Ending June 30,	Amounts
2016	$ 104,213
2017	104,213
2018	104,212
2019	104,212
Total minimum lease payments	416,850
Less: amount representing interest	(16,350)
Present value of minimum lease payments	$ 400,500

NOTE 8 LONG-TERM DEBT (Continued)

2012 Capital Lease – Street Lights

On April 13, 2012, the City acquired street lights through a capital lease for $620,268. The lease has an interest rate of 3.15% with principal and interest payments due semi-annually beginning April 13, 2012 and ending April 13, 2020. Collateral on this lease is the various light fixtures, poles and equipment in the street, parks, and parking lots. As of June 30, 2014, the historical cost on the various light fixtures, poles and equipment in the street, parks, and parking lots purchased with lease proceeds and supplemented with City funds totaled $680,440. As of June 30, 2015, these assets have a total accumulated depreciation of $60,484.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Year Ending June 30,	Amounts
2016	$ 89,705
2017	91,554
2018	95,112
2019	98,848
2020	102,775
Total minimum lease payments	477,994
Less: amount representing interest	(39,847)
Present value of minimum lease payments	$ 438,147

These lease agreements qualify for capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. All amortization expense for the capital leases has been included in depreciation expense.

NOTE 9 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City had $3,533,848 in outstanding construction commitments at June 30, 2015, as follows:

Project	Total Contract	Paid/Accrued to Date	Commitment Outstanding
3000 West Project - 1200 South to 200 South	$ 3,699,000	$ 1,501,489	$ 2,197,511
Antelope Dr Intersection at 3000 West	685,853	373,836	312,017
Steed Storm Drain Project - 3000 West to 3500 West	609,811	-	609,811
2000 West Storm Drain Project - 3600 South to Gentile	148,185	72,403	75,782
Pavement Preservation Project - City wide	513,781	175,054	338,727
Total Construction Commitments Outstanding	$ 5,656,630	$ 2,122,782	$ 3,533,848

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates in the Utah Local Government Trust (a public entity risk pool). Since 1985 the City has purchased commercial insurance through the Utah Local Governments Insurance Trust to mitigate the costs of these risks. The City's responsibility extends only to the payment of premiums and deductibles of $1,000 on general liability claims. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior three years.

The table below illustrates the coverage limits and deductibles for the main areas of risks that the City is exposed to:

	Coverage Limits	Deductible
General Liability	$ 2,000,000	$ -
Auto Bodily Injury	2,000,000	-
Auto Property Damage	2,000,000	-
Underinsured Motorist	80,000	-
Uninsured Motorist	80,000	-
No Fault Sewer Clean-up	5,000	-
Builders Risk	1,424,973	1,000 *
Building	25,569,600	1,000 *
Building Contents	5,179,950	1,000 *
Contractors Equipment	998,335	1,000 *
Mobile Equipment	169,429	1,000 *
Various Positions Bond	630,000	-
Treasurer's Fidelity Bond	1,000,000	-

* Deductible is per incidence

NOTE 11 RETIREMENT PLANS

Plan description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple-employer, cost sharing, public employees retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

NOTE 11 RETIREMENT PLANS (Continued)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided
URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age * 20 years age 60 * 10 years age 62 * 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 year age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5 % per year all years	Up to 2.5%

* with actuarial reductions
** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

NOTE 11 RETIREMENT PLANS (Continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems	Employee Paid	Paid by Empployer for Employee	Employer Contribution Rates
Contributory System			
111- Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43-Other Division A Noncotributory Tier 1	N/A	N/A	34.040%
122-Other Division A Contributory Tier 2	N/A	N/A	22.550%
Firefighters System			
31 - Division A Tier 1			
132 - Division B Tier 2	N/A	15.050%	3.820%
	N/A	N/A	10.800%

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

At December 31, 2014, we reported a net pension asset of $114,990 and a net pension liability of $1,503,411.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.2011432%	$ -	$ 873,411
Public Safety System	0.5009609%	-	630,000
Firefighter System	1.8434027%	105,192	-
Tier 2 Public Employees System	0.0772345%	2,341	-
Tier 2 Public Safety and Firefighter System	0.5041142%	7,457	-
Total Net Pension Asset / Liability		$ 114,990	$ 1,503,411

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

NOTE 11 RETIREMENT PLANS (Continued)

For the year ended December 31, 2014, we recognized pension expense of $453,724. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 243	$ 111,161
Change in assumptions	-	236,133
Net difference between projected and actual earnings on pension plan investments	44,717	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	328,972	-
Total	$ 373,932	$ 347,294

$328,972 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of Resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2015	$ (72,126)
2016	(72,126)
2017	(72,126)
2018	(47,026)
2019	(12,502)
Thereafter	(26,428)
Total	$ (302,334)

Actuarial Assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table.

Retired Member Mortality
Class of Member
Public Safety and Firefighters
Men RP 2000mWC (100%)
Women EDUF (120%)
Local Government, Public Employees
Men RP 2000mWC (100%)
Women EDUF (120%)
EDUM=Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF= Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC= RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

NOTE 11 RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate rages of expected future real rates of return (expected returns, net of pension plan investment expense 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Total	100%		5.23%
Inflation			2.75%
Expected Arithmetic Nominal Return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Propotionate share of			
Net pension (asset) / liability	$ 4,071,354	$ 1,388,421	$ (815,097)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

NOTE 12 REDEVELOPMENT AGENCY

The City Redevelopment Agency (RDA) was established in 1992 to target specific areas of the City that were planned for improvements. The RDA funds identified improvements to the project area properties. These improvements are authorized to be funded using the concept of property tax increment. This funding is provided by taking the property tax dollars that are paid on any increased value of the properties and improvements from the time the project was identified as those properties are developed until the defined amount has been recovered. These improvements act as a publicly funded stimulation to the project area intended to encourage private development of those areas.

The RDA has established three project areas, 1700 South established in 1993 (Town Center), 750 West established in 2004, and the SR-193 Economic Development Area (EDA) established in 2012. The 1700 South and 750 West project areas have a 25 year life while the SR-193 EDA project area has a 15 year life. This is the ninth year that the 1700 South and 750 West project areas have received tax increment payments from the property tax system. This is the first year that the SR-193 EDA project area has received a tax increment from the property tax system.

NOTE 12 REDEVELOPMENT AGENCY

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2015:

Property Tax Increment Received:		
Project Area 1		
Town Center	$	248,737
Project Area 2		
750 West		67,375
Project Area 3		
SR-193		33,846
Total tax increment received by RDA	$	349,958
Property Tax Increment Expended:		
Administrative costs	$	18,712
Reimbursement of site improvements		181,798
Total tax increment expended by RDA	$	200,510

NOTE 13 MUNICIPAL BUILDING AUTHORITY

The Municipal Building Authority of Syracuse (the MBA) was established in August 2006 to allow the City to streamline the funding and construction of city facilities. The MBA borrows funding, constructs facilities, and leases them to the City. The lease payments made by the City provide the revenue for the MBA to make the debt payments. Eventually the debt is paid off and the properties are then deeded to the City.

The initial lease agreement between the City and the MBA is for the new City Hall, an addition to the City Shops, and remodeled/enlarged public safety facilities from the existing City Hall and Public Safety buildings. Bonds were issued in December 2006 and construction has been completed on all structures.

A supplemental lease agreement was entered into between the City and the MBA in 2007. This adds a new fire station to the group of buildings constructed on behalf of the City by the MBA. Bonds for the financing of this facility were issued in March 2008 by the MBA and all construction has been completed.

NOTE 13 MUNICIPAL BUILDING AUTHORITY (Continued)

On March 29, 2012, the MBA refinanced the 2008 Lease Revenue Bond and issued $5,572,000 in Lease Revenue Bonds, Series 2012. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a debt service savings to the City of $249,879 and a net savings of $184,879.

During 2015, the MBA issued the 2014 Lease Revenue Refunding bonds to complete a partial advance refunding of 2006 Bond. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures. The refinance provided a debt service savings to the City of $339,427 and a net savings of $277,564.

NOTE 14 TRANSFERS

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2015, are as follows:

	In	Out
Governmental:		
General Fund	$ 95,626	$ 78,932
RDA	42,870	-
MBA	36,062	
Enterprise:		
Secondary Water	-	95,626
	$ 174,558	$ 174,558

The Secondary Water Fund transferred $95,626 to the General Fund for payments for the Park Development Sales Tax Bond. Additionally, the General Fund transferred $42,870 to the RDA Fund as these funds were restricted in purpose for redevelopment activities.

NOTE 15 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2015, consists of the following:

Utah Class "C" Road Allotment	$ 761,797	35.52%
Utah Liquor Law Enforcement Grant	16,863	0.79%
Various State and Local Law Enforcement Grants	102,529	4.78%
Various Miscellaneous State Grants	23,111	1.08%
Grant for Chloe's Sunshine Park	177,244	8.26%
Reimbursement from UDOT for 3000 West Project	1,047,677	48.85%
Miscellaneous Federal Grants	15,588	0.73%
	$ 2,144,809	100.00%

NOTE 16 ADJUSTMENT TO IMPLEMENT GASB 68

During the fiscal year, the City was required to implement GASB 68, "*Accounting and Financial Reporting for Pensions*." This newly implemented standard requires the City to report its proportionate share of the URS's net pension liability. As part of the first year implementation, the City was required to make adjustments to the beginning fund balance of each business-type fund, and the net position of the Governmental Activities. Those adjustments reflect the net impact of URS's net pension liability on the City's prior period financial statements. See Note 11 for more detailed information related to the URS's net pension liability.

REQUIRED SUPPLEMENTARY INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues				
Taxes:				
Property	$ 1,705,000	$ 1,759,600	$ 1,741,894	$ (17,706)
Fee-in-lieu	160,000	160,000	168,516	8,516
Delinquent prior years'	40,000	40,000	12,723	(27,277)
Sales and use	3,150,000	3,300,000	3,309,455	9,455
Licenses and permits	581,759	581,759	566,892	(14,867)
Intergovernmental	4,026,285	4,215,745	1,943,565	(2,272,180)
Fines and forfeitures	271,000	221,000	220,508	(492)
Charges for services	1,468,805	1,601,805	1,633,275	31,470
Impact fees	964,600	797,984	687,651	(110,333)
Management fees	29,700	29,700	25,427	(4,273)
Interest	30,600	30,600	40,521	9,921
Miscellaneous	34,800	52,540	58,609	6,069
Total Revenues	12,462,549	12,790,733	10,409,036	(2,381,697)
Expenditures				
Current:				
General government:				
City council	40,931	40,931	38,207	2,724
City court	213,952	203,617	189,951	13,666
Administration	646,440	703,862	578,966	124,896
Community and economic development	538,248	576,583	548,641	27,942
Buildings and grounds	349,113	400,163	381,565	18,598
Information systems	75,783	75,783	75,783	-
Total general government	1,864,467	2,000,939	1,813,113	187,826
Public safety:				
Police department	2,436,558	2,490,910	2,249,540	241,370
Fire department	1,642,477	1,642,477	1,480,127	162,350
Total public safety	4,079,035	4,133,387	3,729,667	403,720
Highways and public improvements:				
Streets department	4,119,101	4,656,101	2,042,771	2,613,330
Street lighting	52,600	101,100	95,589	5,511
Class "C" roads	762,000	1,903,000	1,293,503	609,497
Total highways and public improv.	4,933,701	6,660,201	3,431,863	3,228,338
Parks and recreation	1,290,751	1,448,841	1,116,707	332,134
Debt service:				
Debt principal	235,000	1,070,000	1,052,989	17,011
Debt interest and fees	43,753	43,753	56,653	(12,900)
Total debt service	278,753	1,113,753	1,109,642	4,111
Total Expenditures	$ 12,446,707	$ 15,357,121	$ 11,200,992	$ 4,156,129

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (Continued)
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 15,842	$ (2,566,388)	$ (791,956)	$ 1,774,432
Other Financing Sources (Uses)				
Transfer in	95,626	95,626	95,626	-
Transfer out	(59,900)	(114,500)	(78,932)	35,568
Developer contributions	-	156,000	156,100	100
Total Other Financing Sources (Uses)	35,726	137,126	172,794	35,668
Net Change in Fund Balance *	$ 51,568	$ (2,429,262)	(619,162)	$ 1,810,100
Fund Balance, Beginning			6,068,501	
Fund Balance, Ending			$ 5,449,339	

* The net change in fund balance for the final budget was included as an appropriation (i.e., spendown) of fund balance.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues				
Taxes	$ 435,813	$ 381,213	$ 307,088	$ (74,125)
Interest	1,500	1,500	3,528	2,028
Total Revenues	437,313	382,713	310,616	(72,097)
Expenditures				
Redevelopment	463,275	473,429	200,510	272,919
Total Expenditures	463,275	473,429	200,510	272,919
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,962)	(90,716)	110,106	200,822
Other Financing Sources (Uses)				
Transfer in	-	64,754	42,870	(21,884)
Total Other Financing Sources (Uses)	-	64,754	42,870	(21,884)
Net Change in Fund Balance *	$ (25,962)	$ (25,962)	152,976	$ 178,938
Fund Balance, Beginning			638,247	
Fund Balance, Ending			$ 791,223	

* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –MUNICIPAL BUILDING AUTHORITY SPECIAL REVENUE FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues				
Lease revenue	$ 1,097,000	$ 1,097,000	$ 1,097,000	$ -
Interest	500	500	369	(131)
Total Revenues	1,097,500	1,097,500	1,097,369	(131)
Expenditures				
Miscellaneous	8,010	308,010	70,123	237,887
Debt service:				
Principal	700,000	7,200,000	750,000	6,450,000
Interest	449,000	449,000	374,802	74,198
Total Expenditures	1,157,010	7,957,010	1,194,925	6,762,085
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,510)	(6,859,510)	(97,556)	6,761,954
Other Financing Sources (Uses)				
Transfer in	59,900	59,900	36,062	(23,838)
Bond proceeds	-	6,800,000	6,481,000	(319,000)
Escrow deposit for bond refunding	-	-	(6,419,137)	(6,419,137)
Total Other Financing Sources (Uses)	59,900	6,859,900	97,925	(6,761,975)
Net Change in Fund Balance	$ 390	$ 390	369	$ (21)
Fund Balance, Beginning			8,097	
Fund Balance, Ending			$ 8,466	

SYRACUSE CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2014
Last 10 years*

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.2011432%	0.5009609%	1.8434027%	0.0772345%	0.5041142%
Proportionate share of the net pension liability (asset)	$ 873,411	$ 630,000	$ (105,192)	$ (2,341)	$ (7,457)
Covered employee payroll	$ 1,586,756	$ 690,281	$ 564,673	$ 378,986	$ 208,314
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.0%	91.3%	-18.6%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.5%	103.5%	103.5%	120.5%

* in accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset). The 10-year schedule will need to be built prospectively. The schedule above is only for the current year.

SYRACUSE CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
December 31, 2014
Last 10 Fiscal Years*

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	$ 316,141	$ 246,751	$ 16,434	$ 31,865	$ 22,715
Contributions in relation to the contractually required contribution	(316,141)	(246,751)	(16,434)	(31,865)	(22,715)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 1,586,756	$ 690,281	$ 564,673	$ 378,986	$ 208,314
Contributions as a percentage of covered-employee payroll **	19.92%	35.75%	2.91%	8.41%	10.90%

* Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year.

SYRACUSE CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BASIS OF BUDGETING

The City's basis for budgeting in the budget to actual schedules on pages 56-59 is the same as GAAP.

Other information that is not required as part of RSI

This information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 – December 31.

Defined Contribution System
December 31, 2014

	Employee Paid Contribution	Employer Paid Contribution
401(k) Plan	$ 69,988	$ 25,490
457 Plan	13,801	-
Roth IRA Plan	-	-
Traditional IRA Plan	-	-
HRA Plan	-	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

SUPPLEMENTAL INFORMATION

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SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues				
Franchise taxes	$ 1,450,000	$ 1,450,000	$ 1,368,165	$ (81,835)
Intergovernmental revenue	432,299	216,000	201,244	(14,756)
Interest	800	800	1,154	354
Miscellaneous	113,950	113,950	151,707	37,757
Total Revenues	1,997,049	1,780,750	1,722,270	(58,480)
Expenditures				
MBA lease payment	1,097,000	1,097,000	1,097,000	-
Capital outlay	1,077,839	1,170,000	1,147,963	22,037
Debt service:				
Principal	197,000	120,000	111,677	8,323
Interest	-	-	2,695	(2,695)
Total Expenditures	2,371,839	2,387,000	2,359,335	27,665
Excess (Deficiency) of Revenues Over (Under) Expenditures	(374,790)	(606,250)	(637,065)	(30,815)
Other Financing Sources (Uses)				
Capital contributions	107,385	107,385	72,160	(35,225)
Bond proceeds	200,000	400,000	400,500	500
Total Other Financing Sources (Uses)	307,385	507,385	472,660	(34,725)
Net Change in Fund Balance	$ (67,405)	$ (98,865)	(164,405)	$ (65,540)
Fund Balance, Beginning			241,570	
Fund Balance, Ending			$ 77,165	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – CULINARY WATER FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Operating Revenues				
Charges for services:				
Monthly service charge	$ 1,672,920	$ 1,672,920	$ 1,745,102	$ 72,182
Connection and servicing fees	85,800	85,800	61,028	(24,772)
Intergovernmental	22,000	157,000	22,005	(134,995)
Miscellaneous	500	500	4,207	3,707
Total Operating Revenues	1,781,220	1,916,220	1,832,342	(83,878)
Operating Expenses				
Salaries, wages, and benefits	301,177	303,455	294,422	9,033
Operations and maintenance	674,810	684,810	618,232	66,578
Professional services	430,000	430,000	429,111	889
Depreciation	532,300	532,300	520,382	11,918
Capital outlay	-	-	-	-
Miscellaneous	1,500	1,500	109	1,391
Total Operating Expenses	1,939,787	1,952,065	1,862,256	89,809
Operating Income (Loss)	(158,567)	(35,845)	(29,914)	5,931
Nonoperating Income (Expense)				
Interest income	8,600	8,600	8,034	(566)
Total Nonoperating Income (Expense)	8,600	8,600	8,034	(566)
Income (loss) before capital contributions	(149,967)	(27,245)	(21,880)	5,365
Capital Contributions:				
Impact fees	255,024	255,024	194,418	(60,606)
Developer contributions	-	-	329,680	329,680
Change in Net Position	$ 105,057	$ 227,779	502,218	$ 274,439
Net Position, Beginning			15,887,017	
Adjustment to implement GASB 68 - See note 16			(56,961)	
Fund Balance, Ending			$ 16,332,274	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – SEWER FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Operating Revenues				
Charges for services:				
Monthly service charge	$ 1,516,560	$ 1,516,560	$ 1,534,627	$ 18,067
Connection and servicing fees	79,200	79,200	58,500	(20,700)
Miscellaneous	-	-	693	693
Total Operating Revenues	1,595,760	1,595,760	1,593,820	(1,940)
Operating Expenses				
Salaries, wages, and benefits	159,500	159,500	148,771	10,729
Operations and maintenance	117,151	117,151	92,160	24,991
Professional services	1,089,000	1,089,000	1,087,463	1,537
Depreciation	295,000	511,667	510,100	1,567
Miscellaneous	1,000	1,000	468	532
Total Operating Expenses	1,661,651	1,878,318	1,838,962	39,356
Operating Income (Loss)	(65,891)	(282,558)	(245,142)	37,416
Nonoperating Income (Expense)				
Interest income	4,200	4,200	5,887	1,687
Total Nonoperating Income (Expense)	4,200	4,200	5,887	1,687
Income (loss) before capital contributions	(61,691)	(278,358)	(239,255)	39,103
Capital Contributions:				
Developer contributions	-	-	169,870	169,870
Transfers in	61,691	-	-	-
Change in Net Position *	$ -	$ (278,358)	(69,385)	$ 208,973
Net Position, Beginning			14,197,702	
Adjustment to implement GASB 68 - See note 16			(35,267)	
Fund Balance, Ending			$ 14,093,050	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – GARBAGE FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Operating Revenues				
Charges for services:				
Monthly service charge	$ 1,196,000	$ 1,196,000	$ 1,222,379	$ 26,379
Miscellaneous	26,400	26,400	19,400	(7,000)
Total Operating Revenues	1,222,400	1,222,400	1,241,779	19,379
Operating Expenses				
Salaries, wages, and benefits	54,120	54,120	52,727	1,393
Operations and maintenance	65,562	89,562	75,349	14,213
Professional services	1,104,700	1,104,700	1,099,533	5,167
Miscellaneous	500	500	-	500
Total Operating Expenses	1,224,882	1,248,882	1,227,609	21,273
Operating Income (Loss)	(2,482)	(26,482)	14,170	40,652
Nonoperating Income (Expense)				
Interest income	1,500	1,500	1,895	395
Total Nonoperating Income (Expense)	1,500	1,500	1,895	395
Change in Net Position *	$ (982)	$ (24,982)	16,065	$ 41,047
Net Position, Beginning			430,179	
Adjustment to implement GASB 68 - See note 16			(14,419)	
Fund Balance, Ending			$ 431,825	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – SECONDARY WATER FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Operating Revenues				
Charges for services:				
Monthly service charge	$ 1,423,400	$ 1,423,400	$ 1,446,746	$ 23,346
Intergovernmental revenue	-	157,000	-	(157,000)
Connection and servicing fees	63,360	63,360	58,200	(5,160)
Total Operating Revenues	1,486,760	1,643,760	1,504,946	(138,814)
Operating Expenses				
Salaries, wages, and benefits	251,181	251,181	234,171	17,010
Operations and maintenance	527,554	527,554	413,360	114,194
Professional services	350,000	350,000	288,747	61,253
Depreciation	470,000	470,000	404,022	65,978
Miscellaneous	500	500	-	500
Total Operating Expenses	1,599,235	1,599,235	1,340,300	258,935
Operating Income (Loss)	(112,475)	44,525	164,646	120,121
Nonoperating Income (Expense)				
Interest income	2,800	2,800	5,248	2,448
Total Nonoperating Income (Expense)	2,800	2,800	5,248	2,448
Income (loss) before capital contributions	(109,675)	47,325	169,894	122,569
Capital Contributions:				
Impact fees	290,400	290,400	215,812	(74,588)
Developer contributions	-	-	1,547,619	1,547,619
Transfers out	(95,627)	(95,627)	(95,626)	1
Change in Net Position	$ 85,098	$ 242,098	1,837,699	$ 1,595,601
Net Position, Beginning			20,672,261	
Adjustment to implement GASB 68 - See note 16			(47,477)	
Fund Balance, Ending			$ 22,462,483	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – STORM WATER FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Operating Revenues				
Charges for services:				
Monthly service charge	$ 398,100	$ 398,100	$ 403,479	$ 5,379
Miscellaneous	500	500	1,150	650
Total Operating Revenues	398,600	398,600	404,629	6,029
Operating Expenses				
Salaries, wages, and benefits	199,979	202,181	202,072	109
Operations and maintenance	209,240	209,240	148,444	60,796
Depreciation	231,000	231,000	220,236	10,764
Miscellaneous	300	300	-	300
Total Operating Expenses	640,519	642,721	570,752	71,969
Operating Income (Loss)	(241,919)	(244,121)	(166,123)	77,998
Nonoperating Income (Expense)				
Interest income	2,700	2,700	6,221	3,521
Grant revenue	-	4,500	-	(4,500)
Total Nonoperating Income (Expense)	2,700	7,200	6,221	(979)
Income (loss) before capital contributions	(239,219)	(236,921)	(159,902)	77,019
Capital Contributions:				
Impact fees	316,800	316,800	239,754	(77,046)
Developer contributions	-	-	247,296	247,296
Change in Net Position	$ 77,581	$ 79,879	327,148	$ 247,269
Net Position, Beginning			7,280,099	
Adjustment to implement GASB 68 - See note 16			(39,777)	
Fund Balance, Ending			$ 7,567,470	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – INFORMATION TECHNOLOGY FUND
For The Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Operating Revenues				
Charges for services:				
Monthly service charge	$ 189,458	$ 189,458	$ 189,458	$ -
Total Operating Revenues	189,458	189,458	189,458	-
Operating Expenses				
Salaries, wages, and benefits	145,283	145,283	138,727	6,556
Operations and maintenance	24,175	24,175	24,940	(765)
Total Operating Expenses	169,458	169,458	163,667	5,791
Operating Income (Loss)	20,000	20,000	25,791	5,791
Nonoperating Income (Expense)				
Interest income	-	-	187	187
Total Nonoperating Income (Expense)	-	-	187	187
Change in Net Position	$ 20,000	$ 20,000	25,978	$ 5,978
Net Position, Beginning			18,967	
Adjustment to implement GASB 68 - See note 16			(30,565)	
Fund Balance, Ending			$ 14,380	

STATISTICAL SECTION

STATISCIAL SECTION
INTRODUCTION
(Unaudited)

This part of Syracuse City Corporation's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

FINANCIAL TRENDS 71

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY 82

These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.

DEBT CAPACITY 88

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHICS AND ECONOMIC INFORMATION 91

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION 93

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

SYRACUSE CITY
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2014-15	$ 8,998,907	$ 134,091	$ 6,386,115	$ 6,907,841	$ 73,044	$ 209,194	$ 22,709,192
2013-14	8,665,729	159,315	3,277,186	6,702,622	62,450	307,307	19,174,609
2012-13	10,176,102	1,005,661	1,262,145	6,528,978	72,820	112,014	19,157,720
2011-12	8,782,781	890,117	732,621	6,349,093	68,227	238,929	17,061,768
2010-11	8,410,723	-	5,493,654	5,959,508	32,237	600,118	20,496,240
2009-10	7,668,076	115,149	5,107,748	5,667,730	31,268	1,025,895	19,615,866
2008-09	7,485,359	255,432	-	5,597,745	198,054	707,227	14,243,817
2007-08	6,986,464	-	144,000	5,340,527	582,373	840,803	13,894,167
2006-07	5,920,326	865,103	386,843	4,132,221	679,690	2,935,145	14,919,328
2005-06	5,441,945	814,478	1,503,364	3,503,382	427,447	4,559,759	16,250,375

SYRACUSE CITY
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways and Public Improvements [1]	Parks and Recreation	Interest on Long-Term Debt	Culinary Water Utility [2]	Sewer Utility [2]	Garbage Utility [2]	Secondary Water Utility	Storm Water Utility [1]	Total
2014-15	$ 2,240,878	$ 3,543,704	$ 3,392,400	$ 905,768	$ 399,150	$ 1,854,520	$ 1,837,672	$ 1,226,319	$ 1,336,431	$ 569,462	$ 17,306,304
2013-14	2,400,600	4,334,274	1,913,320	1,302,089	523,181	1,739,124	1,554,024	1,204,410	1,405,628	557,996	16,934,646
2012-13	2,743,962	4,349,143	1,982,422	1,109,490	559,958	1,694,016	1,165,527	1,191,793	1,383,551	449,994	16,629,856
2011-12	2,378,027	3,923,458	1,907,183	1,241,485	687,182	1,656,304	1,018,178	1,140,839	1,297,447	424,943	15,675,046
2010-11	2,093,864	3,843,940	2,114,678	1,298,632	684,474	1,509,611	1,012,749	1,148,287	1,158,364	426,122	15,290,721
2009-10	1,663,029	3,723,979	2,121,006	1,083,622	696,289	1,296,665	992,129	1,072,037	1,084,825	536,507	14,270,088
2008-09	2,106,972	3,944,700	3,809,582	1,159,929	783,675	1,315,738	899,303	1,071,645	1,139,891	-	16,231,435
2007-08	1,685,040	3,463,722	3,898,914	1,004,514	248,078	3,331,631	-	-	1,109,224	-	14,741,123
2006-07	1,741,641	2,677,933	1,994,719	1,091,158	198,925	3,043,470	-	-	846,015	-	11,593,861
2005-06	942,801	2,749,374	1,517,152	796,333	142,648	2,986,192	-	-	1,129,502	-	10,264,002

Note:

[1] Prior to FY 2010, the Storm Water Utility Fund was combined with Public Works.

[2] Prior to FY 2009, the Sewer Utility Fund and Garbage Utility Fund were combined with the Culinary Water Utility Fund.

SYRACUSE CITY
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES
Last Ten Fiscal Years

FISCAL YEAR	TAXES	LICENSES AND PERMITS	IMPACT FEES	INTERGOV-ERNMENTAL	MANAGEMENT AND ADMIN FEES [1, 2, 3]	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	TOTAL
2014-15	$ 5,232,588	$ 566,892	$ 687,651	$ 1,943,565	$ 25,427	$ 1,633,275	$ 220,508	$ 99,130	$ 10,409,036
2013-14	5,015,482	591,877	1,002,799	881,459	24,538	1,705,281	224,033	190,640	9,636,109
2012-13	4,849,920	533,524	745,473	1,005,661	659,134	1,356,488	281,811	138,302	9,570,313
2011-12	4,636,245	350,229	337,850	1,009,609	613,025	1,082,134	342,441	97,415	8,468,948
2010-11	4,333,403	245,223	226,713	845,653	642,000	996,036	331,246	92,583	7,712,857
2009-10	4,199,180	321,654	482,160	821,797	-	907,170	295,248	67,410	7,094,619
2008-09	4,253,282	357,501	388,245	888,120	-	675,457	261,720	138,000	6,962,325
2007-08	4,097,863	344,859	589,458	1,090,769	-	602,888	218,843	183,278	7,127,958
2006-07	3,132,601	819,988	1,547,289	1,231,946	-	579,603	208,880	267,987	7,788,294
2005-06	2,562,266	913,927	2,348,471	1,640,792	-	582,145	197,755	267,468	8,512,824

Note:

General government is limited to the City's general fund.

[1] Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

[2] Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

[3] Beginning in FY 2011, a management fee was charged to the redevelopment fund. This is included in management and admin fees above.

SYRACUSE CITY
GENERAL GOVERNEMENT EXPENDITURES (Budget Basis) AND OTHER USES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government [3,4]	Public Safety	Highways and Public Improvements	Parks and Recreation	Capital Outlay [2]	Debt Service	Other Financing Uses [1]	Total
2014-15	$ 1,813,113	$ 3,729,667	$ 3,431,863	$ 1,116,707	$ -	$ 1,109,642	$ 78,932	$ 11,279,924
2013-14	1,690,942	3,786,705	2,381,973	1,044,047	-	271,256	41,553	9,216,476
2012-13	2,112,668	3,817,012	2,170,559	1,050,209	-	260,128	-	9,410,576
2011-12	2,012,733	3,462,242	1,121,517	956,884	-	192,781	200,000	7,946,157
2010-11	1,689,503	3,369,555	1,282,843	1,025,804	-	192,669	14,567	7,574,941
2009-10	1,174,765	3,221,583	1,136,292	955,982	-	192,980	124,000	6,805,602
2008-09	1,576,733	3,303,895	1,311,144	923,204	1,088,081	396,163	114,500	8,713,720
2007-08	1,522,231	3,186,613	2,172,362	916,204	825,112	362,768	603,377	9,588,667
2006-07	1,587,366	2,567,880	689,921	838,031	1,919,101	366,068	107,465	8,075,832
2005-06	849,138	2,051,473	882,886	583,255	3,504,683	464,571	272,608	8,608,614

Notes:

General government is limited to the City's general fund.

[1] Other financing uses includes transfers to other funds.

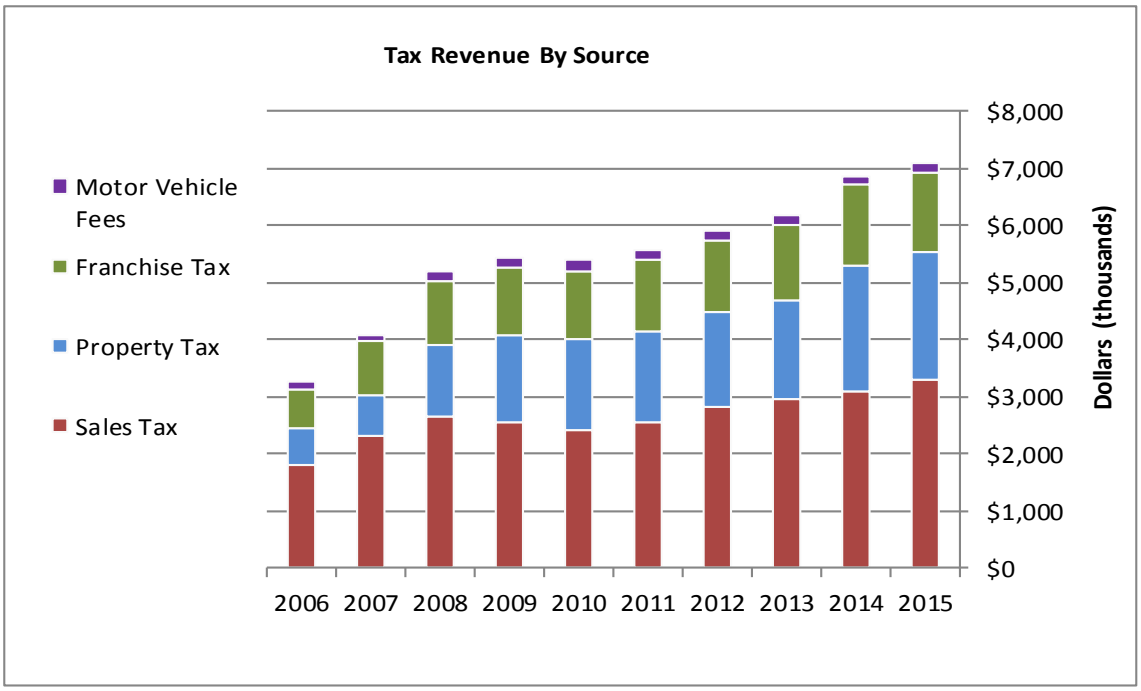
[2] Beginning in FY 2010, capital outlay expenditures are included under the function for which they were acquired.

[3] Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

[4] Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

SYRACUSE CITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Motor Vehicle Fees	Total
2015	$ 3,309	$ 2,230	$ 1,368	$ 169	$ 7,076
2014	3,096	2,210	1,396	158	6,860
2013	2,953	1,728	1,338	169	6,188
2012	2,820	1,650	1,267	166	5,903
2011	2,551	1,606	1,229	177	5,563
2010	2,429	1,569	1,209	202	5,409
2009	2,543	1,535	1,165	175	5,418
2008	2,655	1,265	1,107	178	5,205
2007	2,299	719	956	114	4,088
2006	1,805	635	695	122	3,257



SYRACUSE CITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	$ 43,068	$ 40,092	$ 40,992	$ 40,565	$ 41,578	$ 39,654	$ 42,374	$ 38,986	$ 27,251	$ 30,562
Restricted	3,107	3,792	2,298	1,771	811	727	867	6,675	9,615	2,374
Unrestricted	1,682	2,626	1,618	1,812	811	314	726	672	514	2,260
Total governmental activities net position	$ 47,857	$ 46,510	$ 44,908	$ 44,148	$ 43,200	$ 40,695	$ 43,967	$ 46,333	$ 37,380	$ 35,196
Business-type activities										
Net investment in capital assets	$ 55,619	$ 52,792	$ 45,048	$ 43,411	$ 43,820	$ 41,712	$ 35,180	$ 34,458	$ 27,598	$ 25,486
Restricted	1,833	1,530	801	1,042	970	714	136	900	1,464	1,346
Unrestricted	3,461	4,156	4,867	5,005	4,229	3,892	2,385	1,964	2,797	1,949
Total business-type activities net position	$ 60,913	$ 58,478	$ 50,716	$ 49,458	$ 49,019	$ 46,318	$ 37,701	$ 37,322	$ 31,859	$ 28,781
Primary government										
Net investment in capital assets	$ 98,687	$ 92,884	$ 86,040	$ 83,976	$ 85,398	$ 81,366	$ 77,554	$ 73,444	$ 54,849	$ 56,048
Restricted	4,940	5,322	3,099	2,813	1,781	1,441	1,003	7,575	11,079	3,720
Unrestricted	5,143	6,782	6,485	6,817	5,040	4,206	3,111	2,636	3,311	4,209
Total primary government net position	$ 108,770	$ 104,988	$ 95,624	$ 93,606	$ 92,219	$ 87,013	$ 81,668	$ 83,655	$ 69,239	$ 63,977

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	$ 2,241	$ 2,401	$ 2,744	$ 2,378	$ 2,094	$ 1,663	$ 2,107	$ 1,685	$ 1,741	$ 943
Public safety	3,544	4,334	4,349	3,924	3,844	3,724	3,945	3,464	2,678	2,749
Highways and public improvements [1]	3,392	1,913	1,983	1,907	2,115	2,121	3,809	3,899	1,995	1,517
Parks, recreation, and public property	906	1,302	1,109	1,241	1,299	1,084	1,160	1,004	1,091	796
Interest on long-term debt	399	523	560	687	684	696	784	248	199	143
Total governmental activities expenses	10,482	10,473	10,745	10,137	10,036	9,288	11,805	10,300	7,704	6,148
Business-type activities:										
Culinary water utility	$ 1,855	$ 1,739	$ 1,694	$ 1,656	$ 1,510	$ 1,297	$ 1,316	$ 3,332	$ 3,044	$ 2,986
Sewer utility	1,838	1,554	1,165	1,018	1,013	992	899	-	-	-
Garbage utility	1,226	1,204	1,192	1,141	1,148	1,072	1,071	-	-	-
Secondary water utility	1,336	1,406	1,384	1,298	1,158	1,085	1,140	1,109	846	1,130
Storm water utility	569	558	450	425	426	536	-	-	-	-
Total business-type activities expenses	6,824	6,461	5,885	5,538	5,255	4,982	4,426	4,441	3,890	4,116
Total primary government expenses	$ 17,306	$ 16,934	$ 16,630	$ 15,675	$ 15,291	$ 14,270	$ 16,231	$ 14,741	$ 11,594	$ 10,264
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,279	$ 1,337	$ 1,782	$ 1,540	$ 1,397	$ 809	$ 808	$ 730	$ 1,291	$ 466
Public safety	467	506	549	476	433	205	296	275	127	139
Highways and public improvements	172	149	389	245	804	924	1,500	1,446	41	960
Parks and recreation	551	571	946	645	476	436	288	415	149	129
Operating grants and contributions	134	159	1,006	890	-	115	91	-	865	814
Capital grants and contributions	3,420	1,826	489	499	2,946	2,771	-	44	387	1,323
Total governmental activities program revenues	6,023	4,548	5,161	4,295	6,056	5,260	2,983	2,910	2,860	3,831
Business-type activities:										
Charges for services:										
Culinary water utility [2]	$ 1,806	$ 1,756	$ 1,896	$ 1,717	$ 1,528	$ 1,549	$ 1,343	$ 3,030	$ 3,315	$ 2,993
Sewer utility [2]	1,593	1,303	1,136	1,011	986	989	845	-	-	-
Garbage utility [2]	1,222	1,229	1,256	1,225	1,170	1,137	1,113	-	-	-
Secondary water utility	1,505	1,464	1,646	1,490	1,331	1,335	1,292	1,090	997	755
Storm water utility [1]	404	351	576	434	286	284	-	-	-	-
Capital grants and contributions	2,966	1,451	773	233	2,547	2,337	165	100	-	180
Total business-type activities program revenues	9,496	7,554	7,283	6,110	7,848	7,631	4,758	4,220	4,312	3,928
Total primary government program revenues	$ 15,519	$ 12,102	$ 12,444	$ 10,405	$ 13,904	$ 12,891	$ 7,741	$ 7,130	$ 7,172	$ 7,759

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (expense)/revenue:										
Governmental activities	$ (4,459)	$ (5,925)	$ (5,584)	$ (5,842)	$ (3,980)	$ (4,028)	$ (8,822)	$ (7,390)	$ (4,844)	$ (2,317)
Business-type activities	2,672	1,093	1,398	572	2,593	2,649	332	(221)	422	(188)
Total primary government net expense	$ (1,787)	$ (4,832)	$ (4,186)	$ (5,270)	$ (1,387)	$ (1,379)	$ (8,490)	$ (7,611)	$ (4,422)	$ (2,505)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 2,230	$ 2,210	$ 2,238	$ 2,262	$ 2,180	$ 2,030	$ 1,890	$ 1,579	$ 877	$ 757
Sales taxes	3,309	3,096	2,953	2,820	2,551	2,429	2,543	2,655	2,299	1,805
Franchise taxes	1,368	1,396	1,338	1,267	1,229	1,209	1,165	1,107	956	941
Impact fees [3]	-	-	-	-	227	482	232	262	1,877	3,112
Unrestricted investment earnings	46	39	36	33	11	10	143	440	484	299
Other revenues (uses) not restricted to specific progr	184	235	102	220	100	42	147	8,957	342	1,307
Transfers	96	187	187	187	186	190	336	1,343	193	-
Total governmental activities	7,233	7,163	6,854	6,789	6,484	6,392	6,456	16,343	7,028	8,221
Business-type activities:										
Impact fees [3]	$ -	$ -	$ -	$ -	$ 253	$ 502	$ 328	$ 479	$ 993	$ 1,000
Unrestricted investment earnings	27	24	37	35	21	21	55	142	196	128
Other revenues (uses) not restricted to specific progr	26	72	10	19	21	-	-	6,406	1,660	2,535
Transfers	(96)	(187)	(187)	(187)	(186)	(190)	(336)	(1,343)	(193)	-
Total business-type activities	(43)	(91)	(140)	(133)	109	333	47	5,684	2,656	3,663
Total primary government	$ 7,190	$ 7,072	$ 6,714	$ 6,656	$ 6,593	$ 6,725	$ 6,503	$ 22,027	$ 9,684	$ 11,884
Change in Net Position										
Governmental activities	$ 2,774	$ 1,238	$ 1,270	$ 948	$ 2,504	$ 2,364	$ (2,366)	$ 8,953	$ 2,184	$ 5,904
Business-type activities	2,629	1,002	1,258	439	2,702	2,982	379	5,463	3,078	3,475
Total primary government	$ 5,403	$ 2,240	$ 2,528	$ 1,387	$ 5,206	$ 5,346	$ (1,987)	$ 14,416	$ 5,262	$ 9,379

Note:

[1] Prior to FY 2010, the Storm Water Utility Fund was combined with Government Activities - Highways and public improvements.

[2] Prior to FY 2009, the Sewer Utility Fund and Garbage Utility Fund were combined with the Culinary Water Utility Fund.

[3] Beginning in FY2012, impact fee revenues were included in the program revenues above by department where charged.

SYRACUSE CITY
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	$ 6,908	$ 6,703	$ 6,529	$ 6,349	$ 5,983	$ 5,693	$ 5,622	$ 5,340	$ 4,132	$ 3,258
Licenses and permits	567	592	534	350	245	322	358	345	820	914
Impact fees	688	1,003	745	338	227	482	620	852	1,877	3,111
Intergovernmental	2,145	881	1,081	1,087	846	937	979	1,135	1,232	2,140
Administrative Fees [1,2]	-	-	600	506	579	-	-	-	-	-
Charges for services	1,633	1,705	1,356	1,082	996	907	954	603	580	582
Fines and forfeitures	221	224	282	343	331	295	262	219	209	198
Investment earnings	45	39	36	33	12	8	143	440	484	299
Lease Revenue	1,097	1,157	-	-	-	-	-	-	-	-
Management Fee [2]	25	25	59	107	63	-	-	-	-	-
Miscellaneous	210	247	213	136	162	227	192	137	115	146
Total revenues	13,539	12,576	11,435	10,331	9,444	8,871	9,130	9,071	9,449	10,648
Expenditures										
General government [1,2]	1,793	1,691	2,458	2,199	1,836	1,183	1,582	1,529	1,588	852
Public safety	3,730	3,787	3,817	3,449	3,370	3,222	3,304	3,187	2,568	2,051
Highways and public improvemer	3,432	2,382	2,171	533	1,283	1,253	1,615	2,257	804	883
Parks and recreation	1,136	1,044	1,050	932	1,026	956	924	916	1,054	583
Lease Payment	1,097	1,157	-	-	-	-	-	-	-	-
Capital outlay	1,148	100	236	1,352	124	405	6,521	9,043	6,886	7,810
Redevelopment / Other	270	395	-	-	-	-	-	39	43	67
Debt service:										
Principal retirement	1,915	1,021	1,010	813	681	778	700	774	364	440
Interest and fiscal charges	434	541	578	660	684	706	777	114	124	143
Total expenditures	$14,955	$12,118	$11,320	$ 9,938	$ 9,004	$ 8,503	$15,423	$17,859	$13,431	$ 12,829

SYRACUSE CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess of revenues over (under) expenditures	$ (1,416)	$ 458	$ 115	$ 393	$ 440	$ 368	$ (6,293)	$ (8,788)	$ (3,982)	$ (2,181)
Other financing sources (uses)										
Proceeds from borrowings	6,882		-	6,770	-	-	-	5,924	9,576	1,000
Payment to ref. bonds escrow agt	(6,419)		-	(5,572)	-	-	-	-	-	-
Capital contributions	228	3								
Sale of capital assets		1,961	14	156	-	-	-	-	-	-
Transfers in	1,100	228	187	187	201	414	1,258	1,117	258	362
Transfers out	(1,005)	(42)	-	-	(322)	(340)	(1,062)	(959)	(65)	(206)
Total other financing sources (uses)	786	2,150	201	1,541	(121)	74	196	6,082	9,769	1,156
Net change in fund balances	$ (630)	$ 2,608	$ 316	$ 1,934	$ 319	$ 442	$ (6,097)	$ (2,706)	$ 5,787	$ (1,025)
Debt service as a percentage of noncapital expenditures	18.1%	15.4%	14.3%	17.2%	15.4%	18.3%	16.6%	10.1%	7.5%	11.6%

Note:

[1] Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenses in the general fund.

[2] Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

[3] Beginning in FY 2011, a management fee was charged to the redevelopment fund. The expenditure is included in general government.

SYRACUSE CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund:										
Nonspendable	$ 65	$ 119	$ 112	$ 644	$ 17	$ -	$ -	$ -	$ -	$ -
Restricted	2,316	3,066	1,608	1,080	383	-	-	-	-	-
Committed	-	-	66	93	71	-	-	-	-	-
Assigned	682	738	-	-	-	-	-	-	-	-
Unassigned	2,386	2,146	1,716	1,324	1,000	-	-	-	-	-
Total general fund	$ 5,449	$ 6,069	$ 3,502	$ 3,141	$ 1,471	$ -	$ -	$ -	$ -	$ -
All other governmental funds:										
Restricted	$ 791	$ 725	$ 690	$ 691	$ 428	$ -	$ -	$ -	$ -	$ -
Committed	-	-	8	8	10	-	-	-	-	-
Assigned	86	162	149	193	190	-	-	-	-	-
Total all other governmental funds	$ 877	$ 887	$ 847	$ 892	$ 628	$ -	$ -	$ -	$ -	$ -

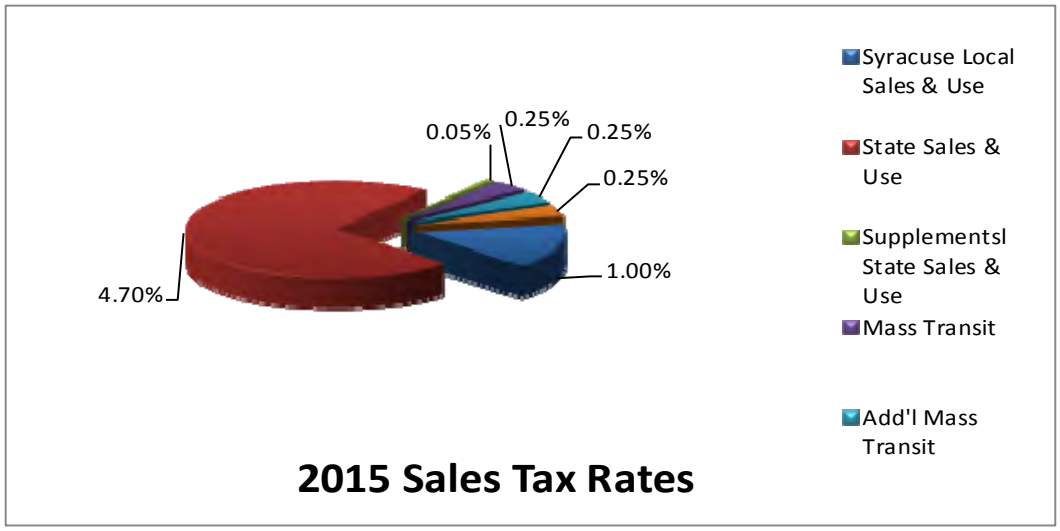
	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ 474	$ 259	$ 1,046	$ 2,740	$ 2,308
Designated, unreserved	-	-	-	-	-	48	24	-	-	-
Unreserved	-	-	-	-	-	625	285	430	797	1,323
Total general fund	$ -	$ -	$ -	$ -	$ -	$ 1,147	$ 568	$ 1,476	$ 3,537	$ 3,631
All other governmental funds:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ 254	$ 608	$ 5,629	$ 6,874	$ 66
Designated, unreserved reported in:	-	-	-	-	-					
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-					
Special revenue funds	-	-	-	-	-	(15)	206	-	-	-
Debt service funds	-	-	-	-	-	-	-		-	-
Capital projects funds	-	-	-	-	-	394	494	868	268	1,196
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ 633	$ 1,308	$ 6,497	$ 7,142	$ 1,262

Note:

Beginning in FY 2011, the fund balance categories were reclassified as a result of implementing GASB Statement 54. Fund balance has not been restated for prior years.

SYRACUSE CITY
SALES TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	Syracuse City Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	County Option Sales	Total for Syracuse Residents
2015	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2014	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2013	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2012	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2011	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2010	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2009	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
2008	1.00%	4.65%	0.05%	0.25%	0.25%	0.25%	6.45%
2007	1.00%	4.75%	-	0.25%	0.25%	0.25%	6.50%
2006	1.00%	4.75%	-	0.50%	-	0.25%	6.50%



Note:
Rates are given as of the second quarter of each year.
Source:
Utah State Tax Commission - Sales Tax Division

SYRACUSE CITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Real Property		Personal Property						
Fiscal Year	Real Estate	Building	Mobile Homes	Other	Centrally Assessed Property	Total Taxable Assessed Value	Total Direct City Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Actual Value
2015	$ 347,890	$ 697,034	$ -	$ 20,364	$ 16,510	$ 1,081,798	1.659	$ 1,971,626	54.87%
2014	316,519	650,579	-	21,928	16,576	1,005,602	1.787	1,749,861	57.47%
2013	320,108	612,472	-	23,388	15,136	971,104	1.832	1,653,539	58.73%
2012	317,384	608,728	-	24,689	14,840	965,641	1.821	1,809,649	53.36%
2011	336,032	681,079	-	19,412	15,426	1,051,949	1.631	1,771,644	59.38%
2010	339,540	637,430	-	21,423	20,827	1,019,220	1.613	1,719,161	59.29%
2009	425,187	597,489	18	21,169	19,464	1,063,327	1.500	n/a	n/a
2008	243,935	581,033	13	14,650	17,586	857,217	1.500	n/a	n/a
2007	195,090	474,826	12	12,574	16,385	698,887	1.043	n/a	n/a
2006	154,208	396,532	2	12,246	12,301	575,289	1.043	n/a	n/a

Notes:

Taxable property value is based on the calendar year ending six months before the fiscal year ends.

Estimated actual market value is not available for the prior four years.

Total property value is excluding fee-in-lieu.

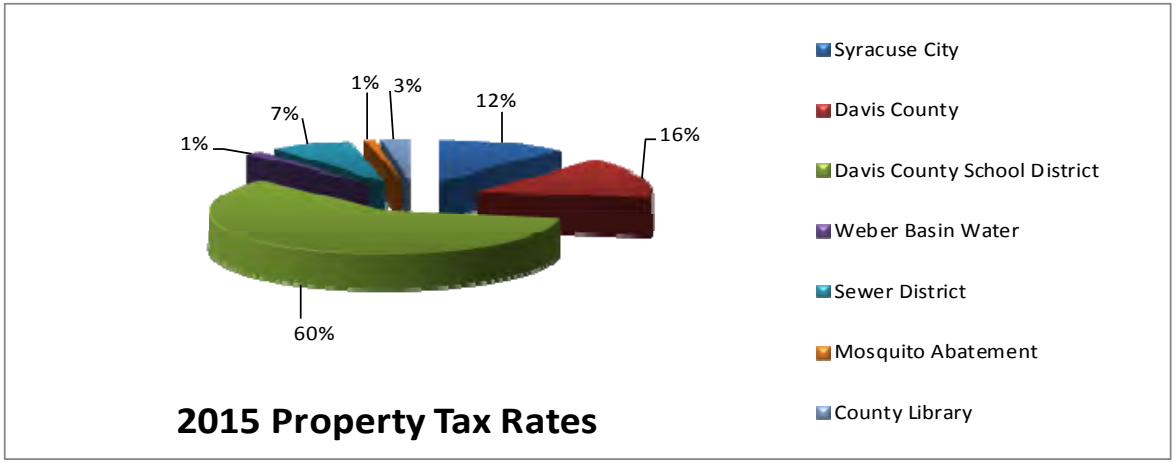
Sources:

Utah State Tax Commission - Property Tax Division website

Davis County

SYRACUSE CITY
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per $1,000 Assessed Valuation)

Fiscal Year	Syracuse City [1]	Davis County	Davis County School District	Weber Basin Water Conservancy District	North Davis County Sewer District	Davis County Mosquito Abatement District	County Library	Total Levy for Syracuse Residents
2015	1.659	2.161	8.259	0.199	1.025	0.124	0.361	13.788
2014	1.787	2.331	8.710	0.210	1.025	0.103	0.389	14.555
2013	1.832	2.391	8.941	0.215	0.993	0.105	0.396	14.873
2012	1.821	2.383	8.861	0.217	0.928	0.104	0.392	14.706
2011	1.631	2.213	7.860	0.207	0.864	0.097	0.363	13.235
2010	1.613	2.108	7.118	0.188	0.763	0.093	0.348	12.231
2009	1.500	1.997	6.764	0.181	0.763	0.088	0.332	11.625
2008	1.500	2.189	7.176	0.200	0.763	0.099	0.375	12.302
2007	1.043	1.739	7.305	0.178	0.763	0.086	0.403	11.517
2006	1.043	1.921	7.684	0.193	0.763	0.091	0.426	12.121



Notes:

[1] The direct Syracuse City property tax rate is used soley for general operations of the city government.

Overlapping rates are those of local and county governments that apply to property owners within Syracuse City. Not all overlapping rates apply to all Syracuse City property owners (e.g., the rates for special districts apply only to the property owners whose property is located within the geographic boundaries of the special district).

Source:

Utah State Tax Commission - Property Tax Division web site

SYRACUSE CITY
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Five Years Ago
(Amounts Expressed in Thousands)

		2015			2009		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart	Retail	$ 13,741	1	1.27%	$ 15,339	1	1.44%
Pacificorp	Utility	9,673	2	0.89%	13,734	2	1.29%
Antelope LC	Medical	7,361	3	0.68%	6,799	3	0.64%
Boyer Syracuse Associates	Retail properties	5,927	4	0.55%	6,769	4	0.64%
Gailey Tree LLC	Retail properties	5,180	5	0.48%	n/a	n/a	n/a
Shadowpoint LLC	Retail properties	4,921	6	0.45%	4,714	6	0.44%
Questar Gas	Utility	4,421	7	0.41%	3,301	8	0.31%
RC Willey	Retail	3,985	8	0.37%	2,701	10	0.25%
Comcast of CA	Retail	3,505	9	0.32%	n/a	n/a	n/a
Utan Onions Inc.	Agriculture	3,429	10	0.32%	n/a	n/a	n/a
Total taxable value of 10 largest taxpayers		62,143		5.74%	53,357		5.02%
Total taxable value of other taxpayers		1,019,683		94.26%	1,009,970		94.98%
Total taxable value of all taxpayers		$ 1,081,826		100.00%	$ 1,063,327		100.00%

Note:
Information from ten years ago was unavailable so the 2009 tax year was used.

Source:
Davis County Clerk/Auditor's office

SYRACUSE CITY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years

Tax Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collection of Previous years Taxes	Total Tax Collections	Percent of Total Tax Collected to Total Levy
2015	$ 1,794,703	$ 1,741,894	97.06%	$ 12,723	$ 1,754,617	97.77%
2014	1,797,011	1,741,771	96.93%	19,159	1,760,930	97.99%
2013	1,779,063	1,667,892	93.75%	59,897	1,727,789	97.12%
2012	1,758,432	1,607,933	91.44%	42,352	1,650,285	93.85%
2011	1,715,729	1,577,797	91.96%	27,934	1,605,731	93.59%
2010	1,644,002	1,515,516	92.18%	53,035	1,568,551	95.41%
2009	1,594,991	1,501,503	94.14%	33,483	1,534,986	96.24%
2008	1,285,826	1,235,036	96.05%	29,718	1,264,754	98.36%
2007	728,939	708,662	97.22%	10,566	719,228	98.67%
2006	600,026	571,439	95.24%	19,536	590,975	98.49%

Source:
Davis County Treasurer's office

SYRACUSE CITY
PROPERTY VALUE AND NEW CONSTRUCTION
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

	Real Property Taxable Value [1]				Residential Construction [2]		Commercial Construction [2]		Other Construction [2]	
Year	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value
2015	$ 96,199	$ 914,973	$ 33,752	$ 1,044,924	174	$ 39,153	9	$ 3,105	205	$ 1,690
2014	100,740	833,866	32,492	967,098	212	49,330	8	517	216	1,802
2013	107,187	787,373	38,019	932,579	162	37,652	5	192	186	2,152
2012	102,217	781,365	42,529	926,112	83	18,195	9	313	207	1,509
2011	115,544	851,112	50,455	1,017,111	69	15,260	12	958	240	1,882
2010	93,539	828,723	54,708	976,970	96	20,963	33	4,171	283	2,394
2009	78,859	863,778	80,039	1,022,676	69	16,864	26	62,129	285	2,479
2008	62,037	700,164	62,768	824,969	255	57,161	37	16,496	262	2,297
2007	38,629	621,074	10,214	669,917	471	100,152	18	19,383	221	2,305
2006	38,576	506,167	5,998	550,741	492	90,495	7	9,615	220	1,664

Note:
Taxable property value, construction units and construction values are based on the calendar year ending six months before the fiscal year ends.

Sources:
[1] Utah State Tax Commission - Property Tax Division
[2] Syracuse City Community & Economic Development department

SYRACUSE CITY
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities						Business-Type Activities				
Fiscal Year	Capital Lease	MBA Revenue Bonds	Sales Tax Revenue Bonds	Special Assessment Bonds	Excise Tax Road Bonds	Capital Improvement Loan	Capital Lease	Water Revenue Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2015	$ 875,246	$ 11,930,000	$ -	$ -	$ -	$ -	$ -	$ -	12,805,246	1.88%	480.70
2014	655,953	12,249,000	985,000	-	-	-	-	-	13,889,953	2.16%	538.89
2013	853,726	12,932,000	1,125,000	-	-	-	-	-	14,910,726	2.43%	593.63
2012	1,058,686	13,602,000	1,260,000	-	-	-	-	113,000	16,033,686	2.75%	647.67
2011	-	13,901,000	1,390,000	-	-	-	-	226,000	15,517,000	2.87%	637.75
2010	-	14,457,000	1,515,000	-	-	-	-	339,000	16,311,000	5.90%	723.61
2009	-	14,999,000	1,640,000	111,000	-	-	-	452,000	17,202,000	6.14%	780.14
2008	-	15,304,000	1,760,000	216,000	170,000	-	-	565,000	18,015,000	6.78%	854.97
2007	-	9,350,000	1,875,000	315,000	330,000	1,000,000	-	678,000	13,548,000	5.55%	694.98
2006	-	-	1,990,000	409,000	485,000	1,000,000	138,148	791,000	4,813,148	2.17%	269.72

Notes:
Details regarding the city's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics for personal income and population data.

SYRACUSE CITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015

Governmental Unit	General Bonded Debt Outstanding	Est. Percentage Applicable to Syracuse City	Estimated Share of Overlapping Debt
North Davis County Sewer District [1]	$ 30,100,000	11.95%	$ 3,596,444
State of Utah [2]	2,830,150,000	0.51%	14,513,324
Weber Basin Water Conservancy District [1]	21,139,451	2.71%	572,853
Davis County [2]	17,724,100	6.01%	1,064,577
Davis County School District [2]	407,635,000	6.01%	24,484,123
Overlapping debt			$ 44,231,321
Syracuse City bonded debt		100.00%	12,806,788
Total direct and overlapping general bonded obligation debt			$ 57,038,109

Note:

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by taking Syracause City's taxable property value and dividing by the governmental unit's taxable property value.

Sources:

[1] Individual governmental unit

[2] Davis County CAFR 2014

SYRACUSE CITY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	$43,272	$40,224	$38,844	$38,626	$42,078	$ 40,769	$42,533	$34,289	$27,955	$23,012
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$43,272	$40,224	$38,844	$38,626	$42,078	$ 40,769	$42,533	$34,289	$27,955	$23,012
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Total assessed value		$ 1,081,798
Debt limit (4% of total assessed value)		$ 43,272
Debt applicable to limit:		
Total bonded debt	$11,930	
Less:		
Special assessment bonds	-	
Revenue bonds	(11,930)	
Amounts available for repayment of general obligation bonds	-	
Other deductions allowed by law	-	
Total net debt applicable to limit		-
Legal debt margin		$ 43,272

SYRACUSE CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population [1]	Personal Income [1]	Per Capita Personal Income [1]	Unemployment Rate [2]	Total Public School Enrollment [3]
2014	26,639	$ 682,624,375	25,625	3.4%	69,139
2013	25,775	641,823,275	24,901	3.5%	68,505
2012	25,118	614,737,932	24,474	4.3%	68,342
2011	24,756	583,449,408	23,568	5.6%	67,736
2010	24,331	539,960,800	22,192	6.2%	66,071
2009	22,541	276,303,598	12,258	5.9%	65,452
2008	22,050	279,942,855	12,696	3.3%	65,014
2007	21,071	265,852,664	12,617	2.6%	64,553
2006	19,494	243,901,527	12,512	2.9%	62,832
2005	17,845	221,728,661	12,425	4.0%	62,349

Notes:

Figures for 2010 are from the 2010 US Census.

Population figures, other than 2010, are estimates as of July 1 based on the US Census' population estimates

Personal income figures, other than 2010, are estimates based on annual growth rates for the State of Utah.

Unemployment figures are rates for Davis County. Information on a city level is not available.

Sources:

[1] U S Census Bureau

[2] State Department of Workforce Services website - https://jobs.utah.gov

[3] State of Utah - State Office of Education web sites

SYRACUSE CITY
PRINCIPAL EMPLOYERS
Prior Year and Ten Years Ago

		Fiscal Year			
		2014		2005	
Employer	**Type of Business**	**Employees**	**Rank**	**Employees**	**Rank**
Hill Air Force Base	US Air Force / Logistics	10,000 - 14,999	1	20,000 - 25,000	1
Davis County School District	Public Education	7,000 - 9,999	2	5,000 - 7,000	2
ATK Space Systems	Manufacturing	1,000 - 1,999	3	250 - 499	n/a
Smith's Food & Drug / Marketplace	Retail	1,000 - 1,999	4	1,000 - 1,999	3
Wal-Mart	Retail	1,000 - 1,999	5	250 - 499	n/a
Lifetime Products	Manufacturing / Retail	1,000 - 1,999	6	1,000 - 1,999	4
Lagoon, Inc	Amusement Park	1,000 - 1,999	7	500 - 999	6
Davis County	County Government	1,000 - 1,999	8	500 - 999	5
Utility Trailer	Manufacturing	500 - 999	9	500 - 999	7
Davis Hospital	Medical	500 - 999	10	500 - 999	11
Albertson's	Retail	n/a	n/a	500 - 999	8
Amusement Services	Retail	n/a	n/a	500 - 999	9
Associates Commerce Solutions	Retail	n/a	n/a	500 - 999	10

Notes:

The Utah Department of Workforce Services provides employment information on a county basis.

Syracuse City is the fifth largest city in Davis County.

Source:

Department of Workforce Services website - http://jobs.utah.gov

Davis County Comprehensive Annual Financial Report 2014

SYRACUSE CITY
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Six Fiscal Years

	Full-time Employees as of June 30					
	2015	**2014**	**2013**	**2012**	**2011**	**2010**
Function / Programs						
General government	17	20	18	17	17	17
Public safety						
Firefighters	12	12	12	11	11	11
Police						
Officers [1]	20	15	18	19	19	18
Civilians	2	2	2	2	2	2
Highways and public improvements	15	14	13	14	13	12
Parks, recreation, and public property	5	5	6	6	7	8
Total	71	68	69	69	69	68

Note:
Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

Sources:
Payroll departmental data

SYRACUSE CITY
OPERATING INDICATORS BY FUNCTION
Last Six Fiscal Years

	Fiscal Year					
	2015	2014	2013	2012	2011	2010
Function						
Police						
Total incidents [1]	14,320	12,085	7,628	7,821	7,698	6,641
Citations written	1,677	1,773	2,023	1,871	2,614	2,105
Total violations included on citations	2,406	2,441	2,780	2,781	3,335	2,756
Theft incidents	291	218	213	195	258	364
Assault incidents	77	83	96	104	126	215
Fire						
Number of calls dispatched	910	805	743	817	850	764
Streets						
Street sweeping:						
Miles	775	812	784	705	627	1,919
Hours	291	291	257	213	211	509
Water						
Service connections	7330	7184	6863	6,683	6,608	6,534
Average daily consumption (gallons)	1,930,000	1,928,000	1,705,000	1,603,580	1,634,638	1,402,504
Recreation						
Community center memberships	998	1,172	1,929	1,328	1,261	852
Recreation program participants	4,014	4,105	4,090	4,218	4,134	3,998

Note:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

[1] For 2015 & 2014, incidents included all actions for police officers, including items that did not receive an incident number.

Sources:

Various City departmental data

SYRACUSE CITY
CAPITAL STATISTICS BY FUNCTION
Last Six Fiscal Years

	Fiscal Year					
	2015	2014	2013	2012	2011	2010
Function						
Police						
Stations	1	1	1	1	1	1
Patrol units	11	11	10	10	10	10
Fire						
Stations	1	1	1	1	1	1
Streets						
Streets (miles) [1]	97	96	96	94	97	97
Streetlights [2]	846	815	722	720	395	341
Parks and recreation						
Community centers	1	1	1	1	1	1
Parks	12	12	12	12	12	12
Park acreage	107	107	107	107	107	107
Trails (acreage)	29	29	29	29	29	29
Covered picnic areas	10	10	10	10	10	10
Baseball/Softball diamonds	4	4	4	4	4	4
Soccer fields	5	5	5	3	3	2
Tennis courts	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	1

Notes:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

[1] A complete road survey and analysis was performed in 2012 and it was determined that actual street miles were 94 instead of the 97 miles represented in prior years.

[2] Syracuse City purchased all of the street lights owned by Rocky Mountain Power in May 2012.

Sources:

Various City departmental data

COMPLIANCE SECTION

Keddington & Christensen, LLC
Certified Public Accountants
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

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*

Honorable Mayor and
Members of the City Council
City of Syracuse
Syracuse, Utah

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Syracuse's (the City) basic financial statements, and have issued our report thereon dated December 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. 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.*

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5292 So. College Dr., Suite 102
Salt Lake City, Utah 84123

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.

Keddington & Christensen, LLC

December 2, 2015

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON: COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND SCHEDULE OF EXPENDITURES OF STATE AWARDS

Honorable Mayor and
Members of the City Council
City of Syracuse
Syracuse, Utah

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited the City of Syracuse's (the City) compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	URS Compliance
Enterprise Fund Transfers, loans, and services	Tax Levy Revenue Recognition
Restricted Taxes	Open and Public Meetings Act
Cash Management	Conflicts of Interest

The City received state funding from the following programs classified as major programs for the year ended June 30, 2015.

Davis County 3000 West Project; Project No. F-LC11(46); (Department of Transportation)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. 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 *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Syracuse City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and recommendations as item 2015-1. Our opinion on compliance is not modified with respect to this matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* 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, noncompliance with a general state or major state program compliance requirement 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 general state or major state program compliance requirement 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 general state or major state program compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency.

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

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 2, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Keddington & Christensen, LLC

Salt Lake City, Utah
December 2, 2015

SYRACUSE CITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Fiscal Year Ended June 30, 2015

State Compliance Finding

2015-1 Fund Balance (Significant Deficiency)

Condition: During our test work at the City, we noted that the unrestricted fund balance of the city's General Fund exceeded the limit of 25% of current year revenues in the General Fund.

Criteria: According to UCA 10-6-116(2), "Accumulation of a fund balance in the city general fund may not exceed 25% of the total revenue of the city general fund for the current fiscal period."

Cause: The City has accumulated more unrestricted fund balance than what the Utah Code Annotated relating to cities will allow.

Effect: The City is not in compliance with referenced Utah Code Annotated.

Recommendation: We recommend that the City monitor the level of unrestricted fund balance more closely to ensure compliance with this requirement.

City Response: We will monitor the fund balance for the general fund more closely to ensure compliance with this requirement going forward.

SYRACUSE CITY
SCHEDULE OF STATE EXPENDITURES OF STATE AWARDS
For The Fiscal Year Ended June 30, 2015

Grant Name	Award/Contract # (if applicable)	Year of Last Audit	Expenditures
UTAH DEPARTMENT OF TRANSPORTATION			
Class C Road Funds	n/a	2014	$ 761,797
3000 West Road Improvement Grant	n/a	2015	$ 1,100,180
Subtotal – Utah Department of Transportation			$ 1,861,977
UTAH SUBSTANCE ABUSE ADVISORY COUNCIL			
Beer Tax Funds	n/a	2014	$ 16,863
Subtotal – Utah Substance Abuse Advisory Council			$ 16,863
UTAH HIGHWAY PATROL			
DUI Overtime Grant	n/a	2014	14,042
Highway Safety - Road Respect	n/a	n/a	1,000
Subtotal – Utah Highway Patrol			$ 15,042
COMMISSION ON CRIMINAL AND JUVENILE JUSTICE			
State Asset Forfeiture Grant	15N76	2014	$3,276
Subtotal – Commission on Criminal and Juvenile Justice			$ 3,276
UTAH DEPARTMENT OF HEALTH			
Utah Emergency Medical Services	n/a	2014	$ 24,788
Subtotal – Utah Department of Health			$ 24,788
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			**$ 1,921,945**