



Mayor
Terry Palmer

City Council
Brian Duncan
Mike Gailey
Craig Johnson
Karianne Lisonbee
Douglas Peterson

January 8, 2014

Via electronic submission to www.emma.msrb.org
Attn: Municipal Disclosure

Re: Continuing Disclosure Undertaking of Syracuse City, Utah

To Whom It May Concern:

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"), Syracuse City, Utah (the "City"), hereby files with you the enclosed (i) the Comprehensive Annual Financial Report of the City for the Fiscal Year Ended June 30, 2013 (the "2013 CAFR"); and (ii) the Supplemental Continuing Disclosure Memorandum of the City dated on or before January 31, 2014 (and amended as of the date indicated) (the "SCDM"). This letter, the 2013 CAFR, and the SCDM constitute the annual financial information and operating data concerning the City to be filed in compliance with the City obligation under that certain agreement entered into in connection with the offering of the following securities described in the following Official Statement:

Securities	Official Statement
CUSIP: 871821 City, Utah AF1; AG9; AH7; AJ3; AK0; AL8; AM6; AN4 AP9; AR5; AT1; AV6	\$9,350,000 Municipal Building Authority of Syracuse Lease Revenue Bonds, Series 2006 dated December 20, 2006

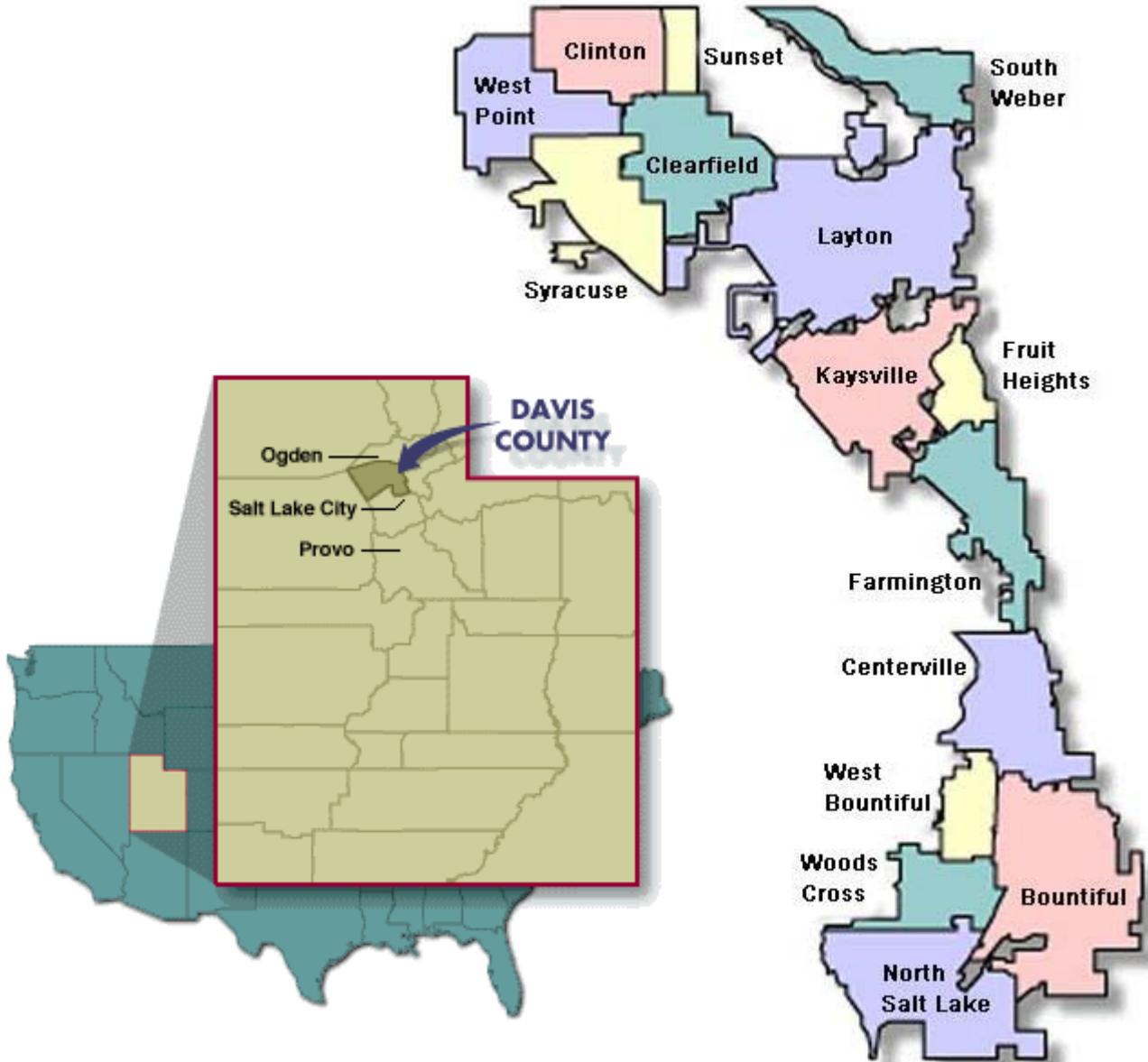
Other than the rating upgrade, no other event described in paragraph (b) (5) (i) (c) of the Rule has occurred that is required to be disclosed with respect to any of the above-described securities.

Sincerely,

Syracuse City, Utah

Stephen Marshall, Finance Director

c: Zions Bank Public Finance, Salt Lake City, Utah



**Municipal Secondary Market Disclosure Information Cover Sheet
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”)

emma.msrb.org

**Submitted and dated as of January ; , 2014
(Submission required by January 31, 2014)**

Table Of Contents

	<u>Page</u>
GENERAL.....	1
Contact Person for the City	1
The Issue.....	1
\$9,350,000 Municipal Building Authority of Syracuse City, Utah Lease Revenue Bonds, Series 2006	1
MUNICIPAL BUILDING AUTHORITY OF SYRACUSE CITY, UTAH.....	3
Outstanding Municipal Building Authority of Syracuse City Bonded Indebtedness	3
Debt Service Schedule Of Outstanding Municipal Building Authority Of Syracuse City, Utah Lease Revenue Bonds By Fiscal Year	4
DEBT STRUCTURE OF SYRACUSE CITY, UTAH.....	5
Outstanding Municipal Debt Of The City	5
Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year	6
Other Financial Considerations	7
FINANCIAL INFORMATION REGARDING SYRACUSE CITY, UTAH	7
Five-Year Financial Summaries	7
Syracuse City Statement of Net Assets.....	8
Syracuse City Statement of Activities	9
Syracuse City Balance Sheet—General Fund.....	10
Syracuse City Statement of Revenues, Expenditures and Changes in Fund Balances	11
Historical City Tax Rates	12
Comparative City Tax Rates	12
Tax Collection Record.....	13
THE CITY’S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013	13

GENERAL

Contact Person for the City

As of the date of this Supplemental Continuing Disclosure Memorandum, the chief contact person for 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 Bonds, as defined herein, 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 Bank Public Finance, Salt Lake City, Utah, acted as Financial Advisor.

The \$9,350,000 Lease Revenue Bonds, Series 2006, dated December 20, 2006 (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, Corporate Trust Department, Salt Lake City, Utah (“Zions Bank”), 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.

Mandatory Sinking Fund Redemption. The Bonds maturing on April 1, 2024; April 1, 2026; and April 1, 2028 are subject to mandatory sinking fund redemption at a price of 100% of the principal amount thereof plus accrued interest to the redemption date on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
April 1, 2023	\$ 545,000
April 1, 2024 (Final Maturity)	<u>565,000</u>
Total	<u>\$1,110,000</u>
April 1, 2025	\$ 595,000
April 1, 2026 (Final Maturity)	<u>615,000</u>
Total	<u>\$1,210,000</u>
April 1, 2027	\$ 645,000
April 1, 2028 (Final Maturity)	<u>670,000</u>
Total	<u>\$1,315,000</u>

Current Maturity Schedule.

Current principal outstanding: \$7,665,000

Original issue amount: \$9,350,000

Dated: December 20, 2006

Due: April 1, as shown below

\$4,030,000 Serial Bonds

Due April 1	CUSIP 871821	Principal Amount	Original Interest Rate		Due April 1	CUSIP 871821	Principal Amount	Original Interest Rate
2014.....	AF1	\$375,000	4.00%		2019.....	AL8	\$465,000	3.875%
2015.....	AG9	390,000	5.00		2020.....	AM6	485,000	4.00
2016.....	AH7	415,000	5.00		2021.....	AN4	500,000	4.00
2017.....	AJ3	435,000	3.75		2022.....	AP9	520,000	4.00
2018.....	AK0	445,000	3.80					

\$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)

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

In March 2012, the Authority issued \$5,572,000, Lease Revenue Refunding Bonds, Series 2012 (the “2012 Bonds”). The 2012 Bonds were issued on a parity with the Bonds and were sold through a private placement offering.

The Bonds and the 2012 Bonds (and all other additional parity bonds issued on a parity basis) will be cross-collateralized, in that the Authority will grant 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:

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2012 (1).....	Refunding	\$5,572,000	April 1, 2028	\$ 5,267,000
2006 (2).....	City buildings	9,350,000	April 1, 2028	<u>7,665,000</u>
Total.....				<u>\$12,932,000</u>

- (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.

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

Fiscal Year Ending June 30	Series 2012 \$5,572,000		Series 2006 \$9,350,000		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
	2013.....	\$ 305,000	\$ 139,169	\$ 365,000	\$ 344,866	\$ 670,000	\$ 484,035	$ 1,154,035
2014.....	308,000	136,113	375,000	330,266	683,000	466,379	1,149,379
2015.....	310,000	133,495	390,000	315,266	700,000	448,761	1,148,761
2016.....	313,000	130,302	415,000	295,766	728,000	426,068	1,154,068
2017.....	317,000	126,076	435,000	275,016	752,000	401,092	1,153,092
2018.....	323,000	121,289	445,000	258,704	768,000	379,993	1,147,993
2019.....	328,000	115,637	465,000	241,794	793,000	357,431	1,150,431
2020.....	334,000	109,372	485,000	223,775	819,000	333,147	1,152,147
2021.....	342,000	101,857	500,000	204,375	842,000	306,232	1,148,232
2022.....	350,000	93,649	520,000	184,375	870,000	278,024	1,148,024
2023.....	360,000	84,129	545,000 (1)	163,575	905,000	247,704	1,152,704
2024.....	369,000	73,689	565,000 (1)	139,050	934,000	212,739	1,146,739
2025.....	382,000	61,881	595,000 (2)	113,625	977,000	175,506	1,152,506
2026.....	395,000	48,702	615,000 (2)	86,850	1,010,000	135,552	1,145,552
2027.....	410,000	34,087	645,000 (3)	59,175	1,055,000	93,262	1,148,262
2028.....	426,000	17,892	670,000 (3)	30,150	1,096,000	48,042	1,144,042
Totals.....	<u>\$ 5,572,000</u>	<u>\$ 1,527,337</u>	<u>\$ 8,030,000</u>	<u>\$ 3,266,629</u>	<u>\$13,602,000</u>	<u>\$ 4,793,966</u>	<u>\$18,395,966</u>

- (1) Mandatory sinking fund principal payments from a \$1,110,000 4.5% term bond due April 1, 2024.
- (2) Mandatory sinking fund principal payments from a \$1,210,000 4.5% term bond due April 1, 2026.
- (3) Mandatory sinking fund principal payments from a \$1,315,000 4.5% term bond due April 1, 2028.

DEBT STRUCTURE OF SYRACUSE CITY, UTAH

Outstanding Municipal Debt Of The City

Outstanding Sales Tax Revenue Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2005 (1).....	Water/parks/various	\$2,100,000	April 1, 2020	<u>\$1,125,000</u>

(1) Rated "AA-" by S&P, as of the date of this Supplemental Continuing Disclosure Memorandum. These bonds are insured by Ambac Assurance Corp.

**Debt Service Schedule Of Outstanding Sales Tax
Revenue Bonds By Fiscal Year**

Fiscal Year Ending June 30	Series 2005 \$2,100,000		Total Debt Service
	Principal	Interest	
2013.....	\$ 135,000	\$ 51,983	\$ 186,983
2014.....	140,000	46,853	186,853
2015.....	150,000	41,253	191,253
2016.....	155,000	35,103	190,103
2017.....	160,000	28,748	188,748
2018.....	165,000	22,108	187,108
2019.....	175,000	15,178	190,178
2020.....	180,000	7,740	187,740
Totals.....	<u>\$1,260,000</u>	<u>\$248,963</u>	<u>\$1,508,963</u>

Other Financial Considerations

Besides the above described municipal debt, the City has several notes and operating leases outstanding. See “THE CITY’S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013—Notes to the Financial Statements—Note 7. Long-Term Liabilities.”

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 2013 through 2009. The summaries have not been audited.

(The remainder of this page has been intentionally left blank.)

Syracuse City

Statement of Net Position

Primary Government

(This summary has not been audited)

	June 30				
	2013	2012	2011	2010	2009
Assets					
Cash and cash equivalents.....	\$ 6,411,543	\$ 5,697,508	\$ 5,195,677	\$ 4,250,845	\$ 1,856,724
Accounts receivable.....	649,831	653,934	613,830	639,558	178,591
Taxes receivable.....	3,132,635	2,442,554	2,252,147	2,201,064	2,453,810
Prepaid expenses.....	58,687	621,982	800	9,081	715
Deposits.....	53,680	21,438	16,476	15,896	138,854
Unamortized costs of issuance.....	-	509,636	260,488	275,628	290,768
Restricted cash.....	3,425,036	3,572,199	1,790,883	1,440,987	-
Capital assets:					
Land and related non-depreciable assets.....	19,938,056	18,144,878	17,674,158	18,021,113	12,058,534
Depreciable infrastructure.....	96,328,955	93,254,257	92,096,710	85,113,996	46,310,728
Buildings, equipment, and other depreciable assets.....	28,198,349	27,875,101	27,337,004	27,214,545	22,064,345
Less accumulated depreciation.....	(43,360,306)	(39,609,883)	(36,304,698)	(32,789,370)	(20,882,622)
Total capital assets.....	<u>101,105,054</u>	<u>99,664,353</u>	<u>100,803,174</u>	<u>97,560,284</u>	<u>59,550,985</u>
Total assets.....	<u>\$ 114,836,466</u>	<u>\$ 113,183,604</u>	<u>\$ 110,933,475</u>	<u>\$ 106,393,343</u>	<u>\$ 64,470,447</u>
Liabilities					
Accounts payable and accrued liabilities.....	\$ 1,744,876	\$ 1,337,159	\$ 1,011,474	\$ 888,134	\$ 1,296,285
Unearned revenue.....	-	1,583,699	1,570,357	1,565,559	1,828,727
Interest payable.....	148,334	156,282	175,872	183,175	201,993
Long-term debt:					
Premium on bonds.....	-	-	-	158,133	166,997
Due within one year.....	1,101,733	1,159,354	884,344	847,388	928,000
Due in more than one year.....	14,264,225	1,534,425	15,082,465	15,737,510	16,081,928
Total liabilities.....	<u>17,259,168</u>	<u>5,770,919</u>	<u>18,724,512</u>	<u>19,379,899</u>	<u>20,503,930</u>
Deferred inflows of resources					
Unavailable revenue - property taxes.....	1,953,385	-	-	-	-
Total deferred inflows of resources.....	<u>1,953,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position					
Invested in capital assets, net of related debt.....	\$ 86,040,010	\$ 83,975,978	\$ 85,397,392	\$ 81,366,779	\$ 42,374,060
Restricted for:					
“C” Road activities.....	844,069	495,038	135,826	61,925	-
Impact fees.....	1,564,346	1,559,593	1,149,724	1,057,810	591,216
Special revenue activities.....	-	690,508	428,132	253,729	270,605
Redevelopment agency.....	690,181	-	-	-	-
Debt service.....	-	67,523	67,523	67,523	5,166
Unrestricted.....	6,485,212	6,817,225	5,040,366	4,205,678	725,470
Total net position.....	<u>\$ 95,623,818</u>	<u>\$ 93,605,865</u>	<u>\$ 92,218,963</u>	<u>\$ 87,013,444</u>	<u>\$ 43,966,517</u>

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

Syracuse City

Statement of Activities

Primary Government

(This summary has not been audited)

	Net (Expense) Revenues and Changes in Net Assets				
	June 30				
	2013	2012	2011	2010	2009
Primary government:					
Governmental activities:					
General government.....	\$ (962,398)	\$ (837,818)	\$ (696,545)	\$ (738,576)	\$ (1,208,715)
Public safety.....	(3,546,980)	(3,285,863)	(3,411,500)	(3,518,923)	(3,648,952)
Public works.....	(426,297)	(512,294)	1,623,620	1,497,799	(2,309,369)
Parks and recreation.....	(87,999)	(518,794)	(810,152)	(571,856)	(871,444)
Interest and other charges on long-term debt.....	(559,958)	(687,182)	(684,474)	(696,289)	(783,675)
Total governmental activities.....	<u>(5,583,632)</u>	<u>(5,841,951)</u>	<u>(3,979,051)</u>	<u>(4,027,845)</u>	<u>(8,822,155)</u>
Business-type activities:					
Culinary water.....	587,155	174,830	795,487	937,763	192,228
Sewer.....	46,452	32,395	580,410	606,455	(54,583)
Garbage.....	64,048	84,023	21,472	64,464	41,272
Secondary water.....	322,622	223,186	803,415	687,466	152,594
Storm drain.....	377,407	57,990	391,923	352,582	-
Total business-type activities.....	<u>1,397,684</u>	<u>572,424</u>	<u>2,592,707</u>	<u>2,648,730</u>	<u>331,511</u>
Total primary government.....	<u>(4,185,948)</u>	<u>(5,269,527)</u>	<u>(1,386,344)</u>	<u>(1,379,115)</u>	<u>(8,490,644)</u>
General revenues:					
Property taxes.....	2,237,855	2,261,991	2,179,508	2,030,318	1,889,603
Sales taxes.....	2,953,427	2,819,651	2,551,143	2,428,517	2,542,852
Franchise tax.....	1,337,696	1,267,451	1,228,857	1,208,895	1,165,290
Total taxes.....	<u>6,528,978</u>	<u>6,349,093</u>	<u>5,959,508</u>	<u>5,667,730</u>	<u>5,597,745</u>
Impact fees.....	-	-	479,252	984,142	560,101
Unrestricted interest earned.....	72,820	68,227	32,237	31,268	198,054
Other general revenues:					
Miscellaneous.....	133,602	98,187	99,980	91,410	147,126
Gain or loss on sale of assets.....	(21,588)	140,742	20,886	49,657	-
Total other general revenues.....	<u>184,834</u>	<u>307,156</u>	<u>632,355</u>	<u>1,057,163</u>	<u>905,281</u>
Total general revenues.....	<u>6,713,812</u>	<u>6,656,249</u>	<u>6,591,863</u>	<u>6,724,893</u>	<u>6,503,026</u>
Change in net assets.....	2,527,864	1,386,722	5,205,519	5,345,778	1,987,618
Net position—beginning, as restated.....	<u>93,605,685</u>	<u>92,218,963</u>	<u>87,013,444</u>	<u>81,667,666</u>	<u>83,655,284</u>
Net position—ending.....	<u>\$96,133,549</u>	<u>\$93,605,685</u>	<u>\$92,218,963</u>	<u>\$87,013,444</u>	<u>\$81,667,666</u>

This report is presented in 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 “THE CITY’S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013” 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				
	2013	2012	2011	2010	2009
Assets:					
Cash and cash equivalents.....	\$ 1,834,663	\$ 642,930	\$ 1,012,943	\$ 139,762	\$ 1,188,694
Restricted cash.....	1,678,877	1,836,074	383,142	473,542	–
Accounts receivable.....	38,180	33,125	32,905	35,331	42,555
Taxes receivable (net).....	–	2,381,594	2,217,945	2,139,775	2,400,744
Due from other governments.....	2,414,074	–	–	–	–
Due from other funds.....	30,957	–	–	320,564	–
Prepaid expenses.....	58,687	621,982	800	9,081	715
Deposits.....	53,680	21,438	16,476	15,896	59,997
Total assets.....	<u>\$ 6,109,118</u>	<u>\$ 5,537,143</u>	<u>\$ 3,664,211</u>	<u>\$ 3,133,951</u>	<u>\$ 3,692,705</u>
Liabilities:					
Liabilities:					
Accounts payable and accrued liabilities.....	\$ 991,762	\$ 814,577	\$ 624,243	\$ 421,202	\$ 1,296,285
Deferred income.....	–	1,581,974	1,568,632	1,565,559	1,828,727
Total liabilities.....	<u>991,762</u>	<u>2,396,551</u>	<u>2,192,875</u>	<u>1,986,761</u>	<u>3,125,012</u>
Deferred inflows of resources					
Unavailable revenue - property taxes.....	<u>1,615,802</u>	–	–	–	–
Total deferred inflows of resources.....	<u>1,615,802</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Nonspendable:					
Prepays, deposits, and inventory.....	112,367	634,420	17,276	–	–
Restricted for:					
Reserved for “C” roads.....	844,069	495,038	135,826	61,925	–
Reserved for impact fees.....	763,265	585,143	247,316	411,617	258,687
Committed:					
Park maintenance.....	12,557	65,307	16,687	11,263	12,557
Street lighting.....	53,422	27,677	53,818	37,131	11,005
Unassigned.....	<u>1,715,874</u>	<u>1,324,007</u>	<u>1,000,413</u>	<u>625,254</u>	<u>285,444</u>
Total fund balances.....	<u>3,501,554</u>	<u>3,131,592</u>	<u>1,471,336</u>	<u>1,147,190</u>	<u>567,693</u>
Total liabilities and fund balances.....	<u>\$ 6,109,118</u>	<u>\$ 5,528,143</u>	<u>\$ 3,664,211</u>	<u>\$ 3,133,951</u>	<u>\$ 3,692,705</u>

(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				
	2013	2012	2011	2010	2009
Revenues:					
Taxes.....	\$ 4,849,920	\$ 4,636,245	\$ 4,333,403	\$ 4,199,180	\$ 4,253,282
Licenses and permits.....	533,524	350,229	245,223	321,654	357,501
Impact fees.....	745,473	337,850	226,713	482,160	388,245
Intergovernmental revenues.....	1,005,661	1,009,609	845,653	821,797	888,120
Administrative fees.....	600,000	506,042	579,000	-	-
Charges for services.....	1,356,488	1,082,134	996,036	907,170	675,457
Fines and forfeitures.....	281,811	342,441	331,246	295,248	261,720
Interest income.....	30,593	28,957	8,206	4,213	38,773
Management fee.....	59,134	106,983	63,000	-	-
Miscellaneous revenue.....	107,709	68,458	84,377	63,197	99,227
Total revenues.....	9,570,313	8,468,948	7,712,857	7,094,619	6,962,325
Expenditures:					
Current:					
General government.....	2,112,668	2,012,733	1,689,503	1,174,765	1,576,733
Public safety.....	3,817,012	3,462,242	3,369,555	3,221,583	3,303,895
Public works.....	2,170,559	1,121,517	1,282,843	1,136,292	1,311,144
Parks and recreation.....	1,050,209	956,884	1,025,804	955,982	923,204
Capital outlay.....	-	-	-	-	1,088,081
Debt service:					
Principal retirement.....	184,753	130,000	125,000	125,000	290,000
Interest and other.....	75,375	62,781	67,669	67,980	106,163
Other interest expense.....	-	-	-	-	-
Total expenditures.....	9,410,576	7,746,157	7,560,374	6,681,602	8,599,220
Excess of revenues over (under) expenditures.....	159,737	722,791	152,483	413,017	(1,636,895)
Other financing sources (uses):					
Issuance of debt.....	-	803,268	-	-	-
Sale of capital assets.....	14,242	156,404	-	-	-
Operating transfers in (out).....	186,983	(13,207)	171,663	166,480	728,515
Total other financing sources (uses).....	201,225	946,465	171,663	166,480	728,515
Net change in fund balances.....	360,962	1,669,256	324,146	579,497	(908,380)
Fund balance, beginning of year, as restated.....	3,140,592	1,471,336	1,147,190	567,693	1,476,073
Fund balance, end of year.....	\$ 3,501,554	\$ 3,140,592	\$ 1,471,336	\$ 1,147,190	\$ 567,693

(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	2013	2012	2011	2010	2009
General Fund.....	.007000	<u>.001787</u>	<u>.001832</u>	<u>.001821</u>	<u>.001613</u>	<u>.001613</u>

(Source: Utah State Tax Commission.)

For a 10-year history of the City's property tax rates see "SYRACUSE CITY CORPORATION, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013--Statistical Section--Property Tax Rates--Direct and Overlapping Governments--Last Ten Fiscal Years" (page 97).

Comparative City Tax Rates

City (County) (1)	Total City Tax Rate				
	2013	2012	2011	2010	2009
Springville (Utah) .....	.002159	.002190	.002103	.002213	.001538
Kaysville (Davis) .....	.000999	.001028	.001035	.000987	.000907
American Fork (Utah).....	.002750	.002812	.002794	.002630	.002423
Holladay (Salt Lake).....	.001707	.001791	.001767	.001720	.001533
<i>Syracuse (Davis).....</i>	<i>.001787</i>	<i>.001832</i>	<i>.001821</i>	<i>.001613</i>	<i>.001613</i>
Herriman (Salt Lake) .....	.000418	.000435	.000418	.000376	.000371
South Salt Lake (Salt Lake) .....	.002757	.002757	.002691	.002729	.002665
Eagle Mountain (Utah) .....	.001380	.001668	.001636	.001510	.001400
Clinton (Davis).....	.001831	.001871	.001866	.001752	.001729
Payson (Utah).....	.001353	.001380	.001323	.001272	.001213
Brigham City (Box Elder).....	.002464	.002453	.002282	.002334	.002242
North Ogden (Weber).....	.001653	.001634	.001493	.001456	.001342

(1) The cities are based and ranked by the most populous according to 2012 population estimates from the U.S. Bureau of the Census.

(2) Includes a city library tax levy.

(Source: Utah State Tax Commission.)

For a 10-year history of the City's property tax rates see "SYRACUSE CITY CORPORATION, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013--Statistical Section--Property Tax Rates--Direct and Overlapping Governments--Last Ten Fiscal Years" (page 97).

(The remainder of this page has been intentionally left blank.)

Tax Collection Record

(1) Tax Year End 12/31	(2) Total Taxes Levied	(3) Trea- surer's Relief	Net Taxes Assessed	Current Col- lections	(4) Deliq., Personal Property and Miscel- leous Col- lections	Total Col- lections	% of Current Collec- tions to Net Taxes Assessed	% of Total Collec- tions to Net Taxes Assessed
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
2009	1,604,106	36,317	1,567,789	1,502,974	86,160	1,589,134	95.9	101.4
2008	1,568,723	27,821	1,540,902	1,432,759	59,090	1,491,849	93.0	96.8

- (1) In addition to the Total Collections indicated above, the City collected Uniform Fees (fees-in-lieu payments) for tax year 2012 of \$173,579; for tax year 2011 of \$175,561; for tax year 2010 of \$180,270; for tax year 2009 of \$212,568; for tax year 2008 of \$202,109; and for tax year 2007 of \$138,486 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: Utah State Tax Commission.)

For a 10-year history of the City's presentation of property tax levies and collections see "SYRACUSE CITY CORPORATION, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013-Statistical Section-Property Tax Levies and Collections" (page 99).

THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2013

Included with this supplement is the City's Comprehensive Annual Financial Report for Fiscal Year 2013.

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/>

(The remainder of this page has been intentionally left blank.)

SYRACUSE CITY CORPORATION

Syracuse, Utah



Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2013

SYRACUSE CITY CORPORATION

Syracuse, Utah

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

Prepared by:

Stephen Marshall, CPA
Finance Director

SYRACUSE CITY CORPORATION
List of Elected and Appointed Officials
June 30, 2013

Elected Officials

Jamie Nagle ----- Mayor
Brian Duncan----- City Councilmember
Craig Johnson ----- City Councilmember
Karianne Lisonbee ----- City Councilmember
Douglas Peterson ----- City Councilmember
Larry D. Shingleton ----- City Councilmember

Executive, Legal and Budgetary Officials

Robert Rice ----- City Manager
Clint Drake----- City Attorney
Stephen Marshall ----- Budget Officer

Statutory Appointed Officials

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

Department Directors

Sherrie Christensen -----Community & Economic Development
Stephen Marshall ----- Finance Director
Eric Froerer ----- Fire Chief
T.J. Peace ----- Information Technology Director
Joseph M. Bean-----Justice Court Judge
Kresta Robinson ----- Parks & Recreation Director
Robert Whiteley ----- Public Works Director

SYRACUSE CITY CORPORATION
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS

INTRODUCTORY SECTION

List of Elected and Appointed Officials -----	1
Table of Contents -----	2
Letter of Transmittal -----	6
Certificate of Achievement for Excellence in Financial Reporting -----	10
Organizational Chart -----	11

FINANCIAL SECTION

Independent Auditor’s Report -----	14
Management’s Discussion and Analysis -----	16
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position -----	31
Statement of Activities -----	32
Fund Financial Statements:	
Balance Sheets – Governmental Funds -----	34
Reconciliation of the Balance Sheet - Governmental Funds to the	
Statement of Net Position -----	37
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds -----	38
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities -----	41
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund -----	42
Syracuse City Redevelopment Agency – Special Revenue Fund -----	44
Municipal Building Authority of Syracuse – Special Revenue Fund -----	45
Statement of Net Position – Proprietary Funds -----	46
Statement of Revenues, Expenses and Changes in Fund	
Net Position – Proprietary Funds -----	48
Statement of Cash Flows – Proprietary Funds -----	50
Notes to the Financial Statements -----	53
Supplemental Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Capital Improvements Fund -----	76
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual:	
Culinary Water Utility Fund -----	77
Sewer Utility Fund -----	78
Garbage Utility Fund -----	79
Secondary Water Utility Fund -----	80
Storm Water Utility Fund -----	81
Information Technology Fund – Internal Service Fund -----	82

SYRACUSE CITY CORPORATION
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS, Continued

STATISTICAL SECTION

Fund Information:

Government-wide Revenues -----	84
Government-wide Expenses by Function -----	85
General Governmental Revenues and Other Financing Sources -----	86
General Governmental Expenditures (Budget Basis) and Other Uses by Function -----	87
Governmental Activities Tax Revenues by Source -----	88
Net Position by Component -----	89
Changes in Net Position -----	90
Changes in Fund Balances of Governmental Funds -----	92
Fund Balances of Governmental Funds -----	94
Sales Tax Rates – Direct and Overlapping Governments -----	95
Assessed Value and Estimated Actual Value of Taxable Property -----	96
Property Tax Rates – Direct and Overlapping Governments -----	97
Principal Property Taxpayers -----	98
Property Tax Levies and Collections -----	99
Property Value and New Construction-----	100
Ratios of Outstanding Debt by Type -----	101
Direct and Overlapping Governmental Activities Debt -----	102
Legal Debt Margin Information -----	103
Demographic and Economic Statistics -----	104
Principal Employers -----	105
Full-time City Government Employees by Function -----	106
Operating Indicators by Function -----	107
Capital Statistics by Function -----	108

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards -----	110
Independent Auditor’s Legal Compliance Report -----	112
Independent Auditor’s Summary of Findings -----	115

(This page is intentionally left blank.)

SYRACUSE CITY CORPORATION

INTRODUCTORY SECTION



Mayor
Jamie Nagle

City Council
Brian Duncan
Craig Johnson
Karianne Lisonbee
Douglas Peterson
Larry D. Shingleton

November 5, 2013

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, 2013.

This report consists of management's representations concerning the finances of Syracuse City Corporation. 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 Corporation 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 Corporation's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Syracuse City Corporation'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 Wood Richards and Associates, P. C. 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 Corporation for the fiscal year ended June 30, 2013, 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 Corporation's financial statements for the fiscal year ended June 30, 2013, 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 Corporation'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 292,662 visitors in 2012, through the heart of the city. Syracuse City Corporation currently occupies a land area of 9.5 square miles and serves a population of approximately 25,118. 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 Corporation 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 Corporation 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 Corporation. 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 Corporation'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 42-45 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the governmental fund subsection of this report, which starts on page 75.

Economic Conditions

The City has experienced a slow economy with stagnant growth in revenues over the previous three fiscal years. However, during fiscal year 2013, revenues associated with construction, namely building permits and development impact fees have increased significantly as compared to the three previous fiscal years. These revenues increases show signs that the housing market is recovering; however, even with the increase in building permit revenue, 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 2013 with sales tax revenue and franchise tax revenue up 4.7% and 5.5% respectively over prior year. Property tax rates and levies by the City have remained relatively constant even though property values have declined. 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 5% to 25% of general fund revenue be kept in the unassigned fund balance of the general fund. 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 unassigned fund balance for fiscal year ended June 30, 2013, was 19.3% of revenue.

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 15 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, 2012. This was the third 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 members of the City who assisted and contributed to the preparation of this report, and to our auditors, Wood Richards and Associates, P.C., 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 Corporation'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**

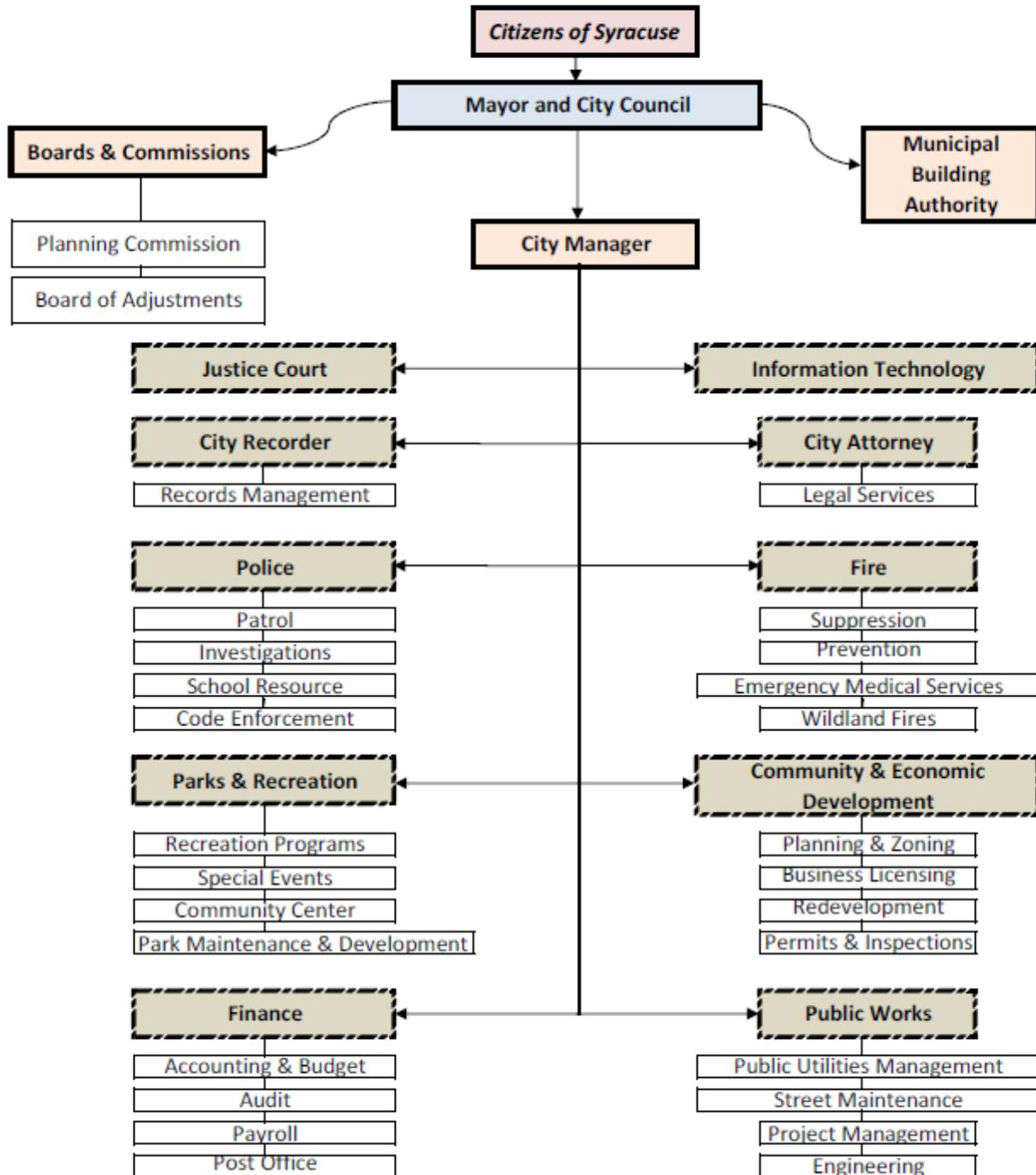
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

SYRACUSE CITY CORPORATION

Organizational Chart



(This page is intentionally left blank.)

SYRACUSE CITY CORPORATION

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
Syracuse City

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the general fund and major special revenue funds of Syracuse City as of and for the year ended June 30, 2013, 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 opinions 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 *Government 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 from 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 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, the aggregate remaining fund information, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the general fund and major special revenue funds of Syracuse City as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles general accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual on page 76 and the Schedules of Revenues, Expenses and Changes in Net Position – Budget to Actual on pages 77-82, and the statistical section are presented for additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual and the Schedules of Revenues, Expenditures and Changes in Net Assets – Budget to Actual listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual on page 76 and the Schedules of Revenues, Expenses and Changes in Net Position – Budget to Actual on pages 77-82 are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013, on our consideration of Syracuse City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Syracuse City's internal control over financial reporting and compliance.

Wood Richards & Associates, PC

Ogden, Utah

November 5, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Syracuse City's financial performance and activities for the year ended June 30, 2013. 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 liabilities at June 30, 2013 by \$95,623,913 (net position). Of this amount, \$6,485,212 (unrestricted net position) may be used to meet the government's ongoing obligations.
- Syracuse City's total net position increased by \$2,527,864 during the fiscal year. Net position of governmental activities increased \$1,270,053 or 2.9%. Net position of business-type activities increased \$1,257,811 or 2.5%. 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, 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 \$4,348,864 at June 30, 2013. Approximately 45% or \$1,938,982 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, 2013, unassigned fund balance for the general fund was \$1,715,874 or 18.2% of the total general fund expenditures.
- Syracuse City's total debt decreased by \$1,009,960 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 Corporation 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 Corporation include general government, public safety, highways and streets, community and economic development, redevelopment, information technology, and recreation and park development. 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*.

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 liabilities by \$95,623,913 at the close of the most recent year, June 30, 2013.

The largest portion of the City's net position, 90.3%, 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 need 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, \$3,098,596, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$6,485,212, 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						
(Stated in Thousands of Dollars)						
As of June 30						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$7,335	\$6,960	\$6,397	\$6,559	\$13,732	\$13,519
Capital assets	56,057	56,141	45,048	43,524	101,105	99,665
Total assets	<u>63,101</u>	<u>63,101</u>	<u>51,445</u>	<u>50,083</u>	<u>114,837</u>	<u>113,184</u>
Long-term debt outstanding	15,366	16,388	-	113	15,366	16,501
Other liabilities	1,165	981	729	512	1,894	1,493
Total liabilities	<u>16,531</u>	<u>17,369</u>	<u>-</u>	<u>625</u>	<u>17,260</u>	<u>17,994</u>
Deferred Inflows of Resources:						
Property Taxes	<u>1,953</u>	<u>1,584</u>	<u>-</u>	<u>-</u>	<u>1,953</u>	<u>1,584</u>
Total Liabilities & Deferred Inflows	<u>18,484</u>	<u>18,953</u>	<u>729</u>	<u>625</u>	<u>19,213</u>	<u>19,578</u>
Net Position:						
Net Investment in Capital Assets	40,992	40,565	45,048	43,411	86,341	83,976
Restricted	2,298	1,771	801	1,042	3,099	2,813
Unrestricted	1,618	1,812	4,867	5,005	6,184	6,817
Total net position	<u>\$44,908</u>	<u>\$44,148</u>	<u>\$50,716</u>	<u>\$49,458</u>	<u>95,624</u>	<u>\$93,606</u>

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 City created a new Information Technology Fund during FY2012 that services both governmental and propriety funds. The funds purpose is to provide informational technology services across the City. Because the services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The following table summarizes Syracuse City's total revenues, expenses, and changes in net position for fiscal year 2013:

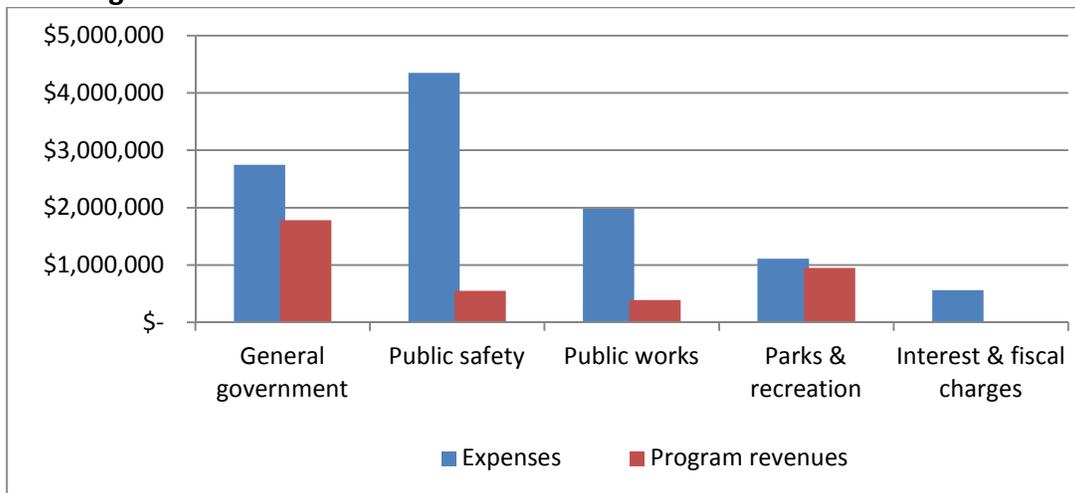
Syracuse City Corporation's Changes in Net Position						
(Stated in Thousands of Dollars)						
As of June 30						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
General Revenues:						
Taxes	\$ 6,529	\$ 6,349	\$ -	\$ -	\$ 6,529	\$ 6,349
Other	102	221	10	18	112	239
Interest	36	33	37	36	73	69
Program Revenues:						
Charges for services	3,666	2,906	6,510	5,877	10,176	8,783
Operating Grants and Contributions	1,006	890	-	-	1,006	890
Capital Grants and Contributions	489	499	773	233	1,262	732
Total revenues	<u>11,828</u>	<u>10,898</u>	<u>7,330</u>	<u>6,164</u>	<u>19,158</u>	<u>17,062</u>
Expenses:						
General government	2,744	2,378	-	-	2,744	2,378
Public safety	4,349	3,923	-	-	4,349	3,923
Public works	1,983	1,907	-	-	1,983	1,907
Parks and recreation	1,109	1,242	-	-	1,109	1,242
Interest on long-term Debt	560	687	-	-	560	687
Utilities	-	-	5,885	5,538	5,885	5,538
Total expenses	<u>10,745</u>	<u>10,137</u>	<u>5,885</u>	<u>5,538</u>	<u>16,630</u>	<u>15,675</u>
Changes in net position before transfers	1,084	761	1,445	626	2,528	1,387
Transfers	187	187	(187)	(187)	-	-
Change in net position	<u>1,270</u>	<u>948</u>	<u>1,258</u>	<u>439</u>	<u>2,528</u>	<u>1,387</u>
Net Position - beginning	44,148	43,200	49,458	49,019	93,606	92,219
Prior year adjustment	(510)	-	-	-	(510)	-
Net Position - restated	<u>43,638</u>	<u>43,200</u>	<u>49,458</u>	<u>49,019</u>	<u>93,096</u>	<u>-</u>
Net Position – ending	<u>\$44,908</u>	<u>\$44,148</u>	<u>\$50,716</u>	<u>\$49,458</u>	<u>\$95,624</u>	<u>\$93,606</u>

Governmental activities. Governmental activities increased Syracuse City’s net position by \$1,270,053 in the current fiscal year. Key elements of the increase were as follows:

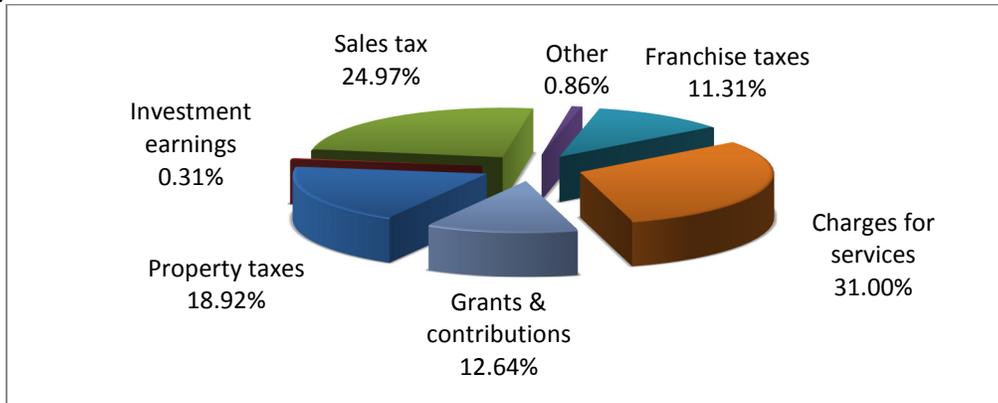
- Capital contributions from developers during fiscal year 2013 including streets, sidewalks, and curb and gutter totaled \$414,354.
- Impact fees related to new development increased by 121.0% or \$407,623 over prior year.
- Building permit fees and development review fees increased 58.5% or \$249,021 over prior year.
- Fire protection fees increased 850% or \$208,771 over prior year due to our new wild land fire program that was implemented during fiscal year 2013.
- Sales tax revenue increased 4.7% or \$133,776 over the previous fiscal year while franchise taxes increased 5.5% or \$70,254.
- Class C Road funds increased 3.4% or \$24,838, over prior year.
- Operating expenses in total increased by \$607,640. These increases were mainly due to increased expenses in the Redevelopment Fund of \$159,300 and increased cost of benefits related to health insurance and retirement of approximately \$150,000.

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

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

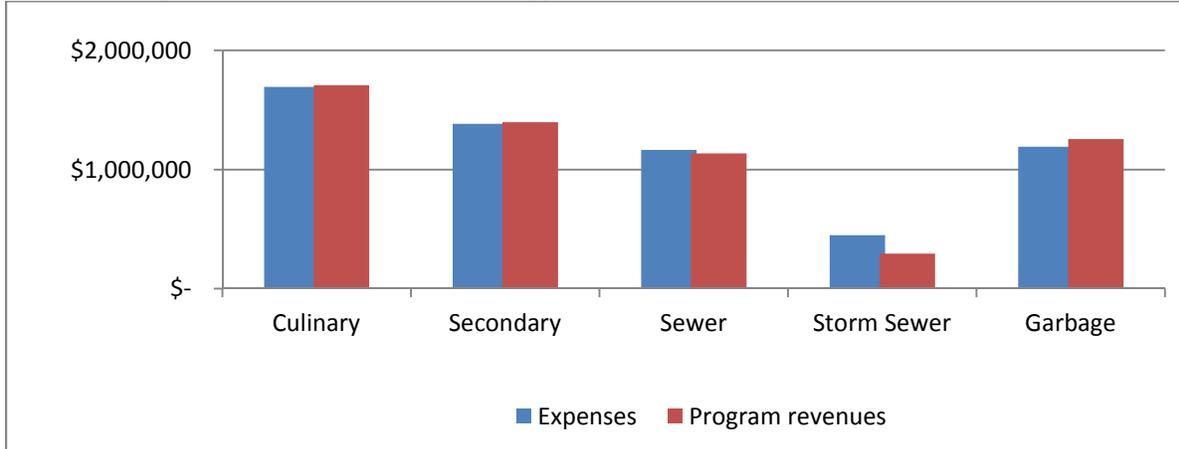


Business-type activities. Business-type activities increased Syracuse City’s net position by \$1,257,811 in the current fiscal year. At the end of the current fiscal year, all of the City’s business-type funds reported a positive net position. Key elements of the increase to net position of business-type activities include:

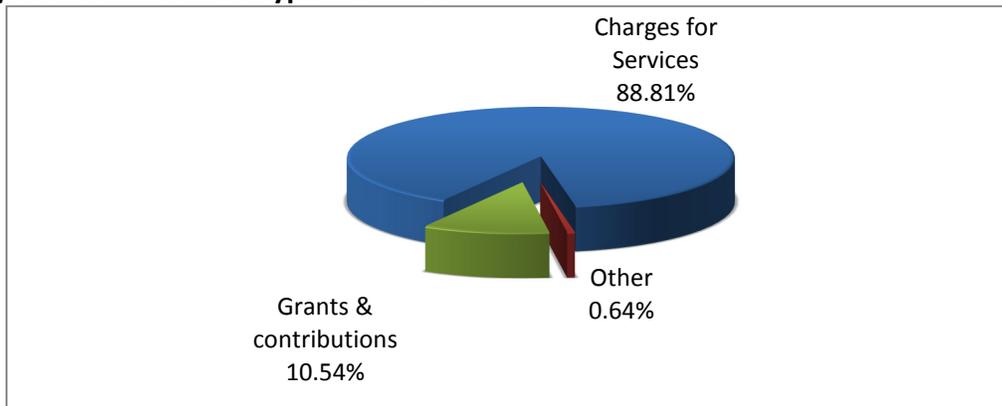
- User fee revenue from culinary water, secondary water, sewer, storm sewer and garbage services had an increase of \$207,785.
- Capital contributions from developers during fiscal year 2013 including culinary water, secondary water, sewer and storm sewer lines totaled \$514,354.
- Impact fees related to new development increased by 84.6%, \$329,929.
- Revenue from new connection fees, late utility bills, and ownership transfer fees increased by \$80,872.
- Overall expenses increased by \$347,170 mainly due to an increase in sewer district disposal fees of \$94,573 and an increase in salaries & benefits of \$132,171.

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

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

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

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

At June 30, 2013, the City's governmental funds reported combined ending fund balances of \$4,348,864, an increase of \$316,203 from the prior year. There are five components of funds balance; nonspendable, restricted, committed, assigned, and unassigned. The nonspendable fund balance of \$112,367 includes items that are prepaid expenses and inventory. The restricted fund balance totaling \$2,297,515 is funds that must be spent for specific purposes and are externally restricted. The committed fund balance totaling \$73,667 is for funds that are not restricted but require council approval before monies can be spent. The assigned fund balance of \$149,441 is unrestricted in nature but has been assigned internally by management for a specific or intended use. Finally, unassigned fund balance of \$1,715,874 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, unassigned fund balance of the general fund was \$1,715,874, while the total fund balance was \$3,501,554. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unreserved fund balance represents 18.2% of total general fund expenditures, while total fund balance represents 37.2% of that same amount.

During the fiscal year, the fund balance of Syracuse City Corporation's general fund (budget basis) increased by \$360,962. Key factors in the change are as follows:

- Revenue from building permits was up 58.5% or \$249,021 over prior year.
- Revenue from sales tax was up 4.7% or \$133,776 over prior year.
- Revenue from fire department wild land fires up \$86,812 over prior year
- Revenue from current year property taxes was up 4.4% or \$79,899 over prior year.

The fund balance of the capital improvement fund decreased by \$43,947 or 22.7%. This decrease was due capital outlay expenses for the police reroof, purchase of vehicles, and purchase of equipment for Chloe's Sunshine Playground.

The fund balance of the redevelopment fund decrease by \$327 while the municipal building authority fund balance decreased by \$485.

Proprietary funds. Syracuse City Corporation'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 2013 was \$2,472,692, for the sewer utility fund the unrestricted net position was \$889,842, for the garbage utility fund the unrestricted net position was \$380,945, for the secondary water utility fund the unrestricted net position was \$703,014, and for the storm water utility fund the unrestricted net position was \$396,377. The change in net position for the five utility funds were as follows: Culinary water utility fund increased \$602,329, sewer utility fund increased \$51,982, garbage utility fund increased \$65,985, secondary water utility fund increased \$142,554, and storm water utility fund increased \$384,477.

Operating revenues for the culinary water utility fund increased 6.1% or \$98,622 from the prior year. Expenses increased 2.3% or \$37,712. This increase was mainly attributed to an increase in cost to purchase water. Infrastructure contributions from developers increased net position by \$127,040.

Operating revenues for the sewer utility fund increased 12.3% or \$124,018 from the prior year. Expenses increased 14.5% or \$147,349. This increase was mainly attributed to a \$1 increase in sewer collection fees and an increase in disposal fees paid to the sewer district. Infrastructure contributions from developers increased net position by \$76,438.

Operating revenues for the garbage utility fund increased by 2.5% or 30,979. This increase was due to increase use of the City's green waste recycling program. Expenses increased 4.5% or \$50,954 over prior year. These increases are primarily due to an increase in number of customers in the collection system.

Operating revenues for the secondary water utility fund increased by 3.3% or 44,372. Expenses increased 6.6% or \$86,104. These increases are primarily due to an increase in number of customers in the collection system as well as an increase in the administrative fee charged to the fund. Infrastructure contributions from developers increased net position by \$59,897.

Operating revenues and expenses for the storm water utility fund remained fairly consistent with the prior year. Infrastructure contributions from developers increased net position by \$250,979.

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 \$9,274,904 to a final budget of \$11,485,609, an increase of \$2,210,705. Some of the more significant changes to individual revenue and expenditure items are as follows:

- \$940,000 increase in the road impact projects for various reconstruction projects in the city.
- \$512,475 increase in Class "C" road projects.
- \$426,600 increase in the street lights fund for the street light conversion project.
- \$150,000 increase for merit increases for employees.
- \$111,302 increase for park improvements.

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 exceeded budget. The most noteworthy were impact fee revenue, building permits, property taxes, and sales and use taxes exceeded expectations by \$284,123, \$147,268, \$119,157, and \$53,427, respectively. Two major revenue classifications, justice court fines and ambulance revenue, fell short of budget expectations by \$68,189 and 48,085 respectively. In total, general fund revenue exceeded the budget expectations by \$678,417 or 7.6%.

Capital Assets and Debt Administration

Capital assets. Syracuse City Corporation's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$86,040,105 (net of related debt). The 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 \$2,064,307 or 2.5%.

Major capital asset events during the current fiscal year include the following:

- Infrastructure from developers through acceptance of new subdivision, \$928,708. Includes curb, gutter, sidewalks, roads, culinary water lines, secondary water lines, sewer lines, storm drains, and land drains.
- Street Light purchase and conversion project \$680,440.
- Bluff Road secondary water transmission line upgrade, \$519,009.
- 200 South Culinary Water line upgrade, \$210,063.
- Completed 2525 South and 800 West reconstruction project, \$198,026.
- Completed Ranchettes Park Improvement, \$150,030.
- Completed 1350 South and 1475 South reconstruction project, \$147,332.
- Purchased fire investigation trailer, \$78,411.
- Construction in progress on several capital improvement projects totaling \$2,291,343. These projects include 1000 west from 1200 south to 1700 south and 2700 south to Bluff Road, 700 South and 2500 West, Marilyn Drive, and Doral Drive.

Syracuse City Corporation's Capital Assets (Stated in Thousands of Dollars and Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land, water stock & CIP	\$ 9,759	\$ 9,245	\$ 10,179	\$ 8,900	\$ 19,938	\$ 18,145
Infrastructure	45,171	43,580	51,158	49,675	96,329	93,255
Buildings and equipment	26,142	25,934	2,056	1,940	28,198	27,874
Accumulated depreciation	(25,015)	(22,619)	(18,345)	(16,991)	(43,360)	(39,610)
Total capital assets	<u>\$56,057</u>	<u>\$56,142</u>	<u>\$45,048</u>	<u>\$43,524</u>	<u>\$101,105</u>	<u>\$99,664</u>

Additional information on Syracuse City Corporation's capital assets can be found in note 4 on pages 63-64 of this report.

Long-term debt. In 1992, the City issued \$2,200,000 in Water Revenue Notes with the State of Utah to finance the construction of a storage reservoir and upgrade the main transmission lines throughout the City. These are zero interest bearing notes and were paid off in January 2013 with a final principal payment \$113,000.

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 are due annually in April through 2020. Interest is due semi-annually in April and October. The balance due on the bonds at June 30, 2013 is \$1,125,000.

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 \$12,932,000. 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 Long-term Debt		
As of June 30		
	2013	2012
Governmental Activities:		
2005 Park Development Bonds	\$ 1,125,000	\$ 1,260,000
2006 MBA Lease Revenue Bonds	7,665,000	8,030,000
2012 MBA Lease Revenue Bonds	5,267,000	5,572,000
Business-type Activities:		
1992 Water Revenue Note A	-	55,000
1992 Water Revenue Note B	-	58,000
Total	\$ 14,057,000	\$ 14,975,000

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitations for the City are \$38,844,157. Syracuse City Corporation currently does not have any outstanding general obligation debt. In addition, state statutes allow for an additional 4% to be used for water, sewer and electrical projects thus resulting in a debt limit of 8% of total taxable value. The City’s water and sewer utility is allowed an additional \$38,844,157 in debt obligation.

Additional information on Syracuse City Corporation’s long-term debt activity can be found in note 7 and 8 on pages 65-69 of this report.

Economic Factors and Next Year's Budgets

Sales tax revenues for the fiscal year ended June 30, 2013 was 4.7% or \$133,776 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 higher than budgeted for fiscal year 2013. The city anticipates that new construction will continue to pick up and that building permits revenue in fiscal year 2014 will exceed the amounts in fiscal year 2013.

The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2013 was 4.3%. This is 1.3% lower than the 5.6% for June 2012. The rate reported for the State of Utah for June 2013 was 4.7%. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2013 of 7.6%. County and state unemployment rates have been decreasing slightly over the past year. The City anticipates that unemployment rates will continue to trend downward in the next few years.

These factors along with other economic factors were considered in preparing the 2013-2014 fiscal year budget.

Request for Information

This financial report is designed to provide a general overview of Syracuse City Corporation's finances for all those with an interest in the 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

SYRACUSE CITY CORPORATION

BASIC FINANCIAL STATEMENTS

(This page is intentionally left blank.)

SYRACUSE CITY
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,859,437	\$ 4,552,106	\$ 6,411,543
Accounts Receivable	98,930	550,901	649,831
Due From Other Governments	2,874,197	258,438	3,132,635
Prepaid Expenses	58,687	-	58,687
Deposits & Inventories	53,680	-	53,680
Restricted Cash	2,389,705	1,035,331	3,425,036
Capital Assets:			
Land and Related Non-Depreciable Assets	9,759,347	10,178,709	19,938,056
Depreciable Infrastructure	45,170,798	51,158,157	96,328,955
Buildings, Equip, & Other Depreciable Assets	26,142,018	2,056,331	28,198,349
Less Accumulated Depreciation	(25,014,922)	(18,345,384)	(43,360,306)
Total Capital Assets, Net	56,057,241	45,047,813	101,105,054
TOTAL ASSETS	63,391,877	51,444,589	114,836,466
LIABILITIES			
Accounts Payable and Accrued Liabilities	1,016,075	728,801	1,744,876
Interest Payable	148,334	-	148,334
Noncurrent Due Within One Year	1,101,733	-	1,101,733
Noncurrent Due in More Than One Year	14,264,225	-	14,264,225
TOTAL LIABILITIES	16,530,367	728,801	17,259,168
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,953,385	-	1,953,385
TOTAL DEFERRED INFLOWS OF RESOURCES	1,953,385	-	1,953,385
TOTAL LIABILITIES & DEFERRED INFLOWS	18,483,752	728,801	19,212,553
NET POSITION			
Net Investment in Capital Assets	40,992,292	45,047,813	86,040,105
Restricted for:			
Class "C" Road Activities	844,069	-	844,069
Impact Fees	763,265	801,081	1,564,346
Redevelopment Agency	690,181	-	690,181
Unrestricted	1,618,318	4,866,894	6,485,212
TOTAL NET POSITION	\$ 44,908,125	\$ 50,715,788	\$ 95,623,913

The Notes to the Financial Statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 2,743,962	\$ 1,781,564	\$ -	\$ -
Public Safety	4,349,143	549,517	252,646	-
Public Works	1,982,422	388,756	753,015	414,354
Parks and Recreation	1,109,490	946,491	-	75,000
Interest and Other Charges on Long-term Debt	559,958	-	-	-
Total Governmental Activities	10,744,975	3,666,328	1,005,661	489,354
Business-type:				
Culinary Water	1,694,016	1,895,694	-	385,477
Sewer	1,165,527	1,135,541	-	76,438
Garbage	1,191,793	1,255,841	-	-
Secondary Water	1,383,551	1,646,276	-	59,897
Storm Drain	449,994	576,422	-	250,979
Total Business-type Activities	5,884,881	6,509,774	-	772,791
Total Primary Government	\$ 16,629,856	\$ 10,176,102	\$ 1,005,661	\$ 1,262,145

General Revenues:
Property Tax
Sales Tax
Franchise Tax
Miscellaneous
Gain (Loss) on Disposal of Assets
Interest Earned
Transfer in (out)
Total General Revenues and Transfers

Change in Net Position

Net Position-Beginning
Prior Year Adjustment (Note 16)
Net Position-Beginning as Restated
Net Position-Ending

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (962,398)	\$ -	\$ (962,398)
(3,546,980)	-	(3,546,980)
(426,297)	-	(426,297)
(87,999)	-	(87,999)
(559,958)	-	(559,958)
(5,583,632)	-	(5,583,632)
-	587,155	587,155
-	46,452	46,452
-	64,048	64,048
-	322,622	322,622
-	377,407	377,407
-	1,397,684	1,397,684
(5,583,632)	1,397,684	(4,185,948)
2,237,855	-	2,237,855
2,953,427	-	2,953,427
1,337,696	-	1,337,696
123,118	10,484	133,602
(21,588)	-	(21,588)
36,194	36,626	72,820
186,983	(186,983)	-
6,853,685	(139,873)	6,713,812
1,270,053	1,257,811	2,527,864
44,147,708	49,457,977	93,605,685
(509,636)	-	(509,636)
43,638,072	-	43,638,072
\$ 44,908,125	\$ 50,715,788	\$ 96,133,549

**SYRACUSE CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Redevelopment Fund	Municipal Building Authority Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,834,663	\$ -	\$ -
Restricted Cash	1,678,877	703,140	7,688
Accounts Receivable	38,180	-	-
Due From Other Governments	2,414,074	337,583	-
Due From Other Funds	30,957	-	-
Prepaid Expenses	58,687	-	-
Deposits & Inventories	53,680	-	-
TOTAL ASSETS	\$ 6,109,118	\$ 1,040,723	\$ 7,688
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 991,762	\$ 12,959	\$ -
Due From Other Funds	-	-	-
TOTAL LIABILITIES	991,762	12,959	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,615,802	337,583	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,615,802	337,583	-
FUND BALANCES			
Nonspendable:			
Prepays, Deposits, and Inventory	112,367	-	-
Restricted for:			
Class "C" Roads	844,069	-	-
Impact Fees	763,265	-	-
Redevelopment Fund	-	690,181	-
Committed:			
Municipal Building Authority	-	-	7,688
Park Maintenance	12,557	-	-
Street Lighting	53,422	-	-
Assigned:			
Capital Improvements	-	-	-
Unassigned	1,715,874	-	-
TOTAL FUND BALANCES	3,501,554	690,181	7,688
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,109,118	\$ 1,040,723	\$ 7,688

The Notes to the Financial Statements are an integral part of this statement.

Capital Improvements Fund	Total Governmental Funds
\$ -	\$ 1,834,663
-	2,389,705
60,750	98,930
122,540	2,874,197
-	30,957
-	58,687
-	53,680
<u>\$ 183,290</u>	<u>\$ 7,340,819</u>
\$ 2,892	\$ 1,007,613
30,957	30,957
<u>33,849</u>	<u>1,038,570</u>
-	1,953,385
-	1,953,385
-	112,367
-	844,069
-	763,265
-	690,181
-	7,688
-	12,557
-	53,422
149,441	149,441
-	1,715,874
<u>149,441</u>	<u>4,348,864</u>
<u>\$ 183,290</u>	<u>\$ 7,340,819</u>

(This page is intentionally left blank.)

SYRACUSE CITY
RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENT FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total fund balance -- governmental funds \$ 4,348,864

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:

Land and related non-depreciable assets	9,021,159	
Depreciable Infrastructure	45,170,798	
Buildings, equipment, and other depreciable assets	26,142,018	
Construction in process	738,188	
Accumulated Depreciation	<u>(25,014,922)</u>	
Total Capital Assets		56,057,241

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Debt	(14,910,725)	
Compensated absences	(301,009)	
Unamortized premium	(154,224)	
Interest payable	<u>(148,334)</u>	
Total Long-Term Debt		<u>(15,514,292)</u>

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.

These amounts include \$24,774 in cash and \$8,462 in accounts payable. 16,312

Total net position --- governmental activities \$ 44,908,125

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Redevelopment Fund	Municipal Building Authority Fund
REVENUES:			
Taxes	\$ 4,849,920	\$ 341,362	\$ -
Licenses and permits	533,524	-	-
Impact fees	745,473	-	-
Intergovernmental revenues	1,005,661	-	-
Administrative Fees	600,000	-	-
Charges for services	1,356,488	-	-
Fines and forfeitures	281,811	-	-
Interest	30,593	3,986	532
Management Fee	59,134	-	-
Lease revenue (payments)	-	-	1,160,528
Miscellaneous	107,709	-	-
Total	9,570,313	345,348	1,161,060
EXPENDITURES:			
Current:			
General government	2,112,668	345,675	-
Public safety	3,817,012	-	-
Public works	2,170,559	-	-
Parks and Recreation	1,050,209	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	184,753	-	670,000
Interest and other	75,375	-	491,545
Total	9,410,576	345,675	1,161,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	159,737	(327)	(485)
OTHER FINANCING SOURCES (USES):			
Issuance of debt	-	-	-
Issuance of refunding bonds	-	-	-
Sale of capital assets	14,242	-	-
Transfers in	186,983	-	-
Transfers out	-	-	-
Total	201,225	-	-
NET CHANGE IN FUND BALANCES	360,962	(327)	(485)
FUND BALANCES, BEGINNING OF YEAR	3,140,592	690,508	8,173
FUND BALANCES, END OF YEAR	\$ 3,501,554	\$ 690,181	\$ 7,688

The Notes to the Financial Statements are an integral part of this statement.

<u>Capital Improvements Fund</u>	<u>Total Governmental Funds</u>
\$ 1,337,696	\$ 6,528,978
-	533,524
-	745,473
75,000	1,080,661
-	600,000
-	1,356,488
-	281,811
1,083	36,194
-	59,134
(1,160,528)	-
<u>105,307</u>	<u>213,016</u>
<u>358,558</u>	<u>11,435,279</u>
-	2,458,343
-	3,817,012
-	2,170,559
-	1,050,209
236,030	236,030
155,207	1,009,960
<u>11,268</u>	<u>578,188</u>
<u>402,505</u>	<u>11,320,301</u>
<u>(43,947)</u>	<u>114,978</u>
-	-
-	14,242
-	186,983
-	-
-	<u>201,225</u>
(43,947)	316,203
<u>193,388</u>	<u>4,032,661</u>
<u>\$ 149,441</u>	<u>\$ 4,348,864</u>

(This page is intentionally left blank.)

SYRACUSE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balance - total governmental funds	\$	316,203
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays 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. Depreciation of \$2,448,889 exceeded capital purchases of \$1,987,161 during the current period.		(461,728)
The governmental funds report the proceeds from the sale of assets as revenues, while the government-wide financial statements report the difference between the sale proceeds and the net book value of the assets sold as a gain or loss.		
Net book value of assets sold		(35,830)
The long-term portion of the liability for compensated absences is not recorded in the fund level, but is reported in the statement of net position. This is the current year change in the liability, reported as an expense in the statement of activities.		1,579
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The governmental funds report interest expense when it is paid, however the statement of net position reports interest when it accrues. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
Issuance of debt		
Amortization of premium and discount	10,282	
Accrued interest	7,948	
Repayment of bond and lease principal	1,009,960	1,028,190
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.		414,354
Internal service funds are used by management to charge the costs of information technology to individual funds. The net revenues (costs) of these activities is reported with governmental activities.		7,285
Changes in net position of governmental activities	\$	1,270,053

The Notes to the Financial Statements are an integral part of this statement.

SYRACUSE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Current property taxes	\$ 1,582,336	\$ 1,582,336	\$ 1,667,892	\$ 85,556
Fee-in-lieu	170,000	170,000	168,704	(1,296)
Delinquent prior years' taxes	25,000	25,000	59,897	34,897
Sales tax	2,700,000	2,900,000	2,953,427	53,427
Total	<u>4,477,336</u>	<u>4,677,336</u>	<u>4,849,920</u>	<u>172,584</u>
Licenses and permits:				
Business licenses	50,500	50,500	54,536	4,036
Building permits	300,000	300,000	447,268	147,268
Burial permits	25,000	25,000	31,720	6,720
Total	<u>375,500</u>	<u>375,500</u>	<u>533,524</u>	<u>158,024</u>
Impact fees:				
Park purchase	10,000	10,000	117,523	107,523
Park development	247,950	247,950	311,105	63,155
Public safety	33,750	33,750	52,243	18,493
Transportation	169,650	169,650	264,602	94,952
Total	<u>461,350</u>	<u>461,350</u>	<u>745,473</u>	<u>284,123</u>
Intergovernmental revenues:				
Class "C" road fund allotment	700,000	725,000	753,015	28,015
Liquor fund allotments	20,000	20,000	23,170	3,170
Federal grants and reimbursements	164,200	234,850	206,341	(28,509)
State and local grants and reimbursements	17,605	28,905	23,135	(5,770)
Local governments service agreements	-	-	-	-
Total	<u>901,805</u>	<u>1,008,755</u>	<u>1,005,661</u>	<u>(3,094)</u>
Administrative Fees	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Charges for services:				
Development reviews and inspections	150,000	150,000	227,615	77,615
Recreation fees	177,000	177,000	189,665	12,665
Community Center fees	36,000	36,000	44,019	8,019
Ambulance revenue	300,000	300,000	251,915	(48,085)
Traffic school and other police charges	19,400	19,400	12,027	(7,373)
Fire protection fees	75,500	175,500	233,332	57,832
Road cut permits	2,000	2,000	12,199	10,199
Post Office commissions	40,000	40,000	40,898	898
Parks Maintenance fee	225,000	230,000	232,863	2,863
Street lighting fee	104,000	104,000	111,955	7,955
Total	<u>1,128,900</u>	<u>1,233,900</u>	<u>1,356,488</u>	<u>122,588</u>
Justice Court Fines and forfeitures	<u>350,000</u>	<u>350,000</u>	<u>281,811</u>	<u>(68,189)</u>
Interest	<u>19,900</u>	<u>19,900</u>	<u>30,593</u>	<u>10,693</u>
Management Fee	<u>76,650</u>	<u>76,650</u>	<u>59,134</u>	<u>(17,516)</u>
Miscellaneous:				
Sale of materials and supplies	-	-	867	867
Sale of cemetery lots	30,000	30,000	37,715	7,715
Buildings and Parks rentals	10,000	37,805	51,316	13,511
Sundry	6,700	20,700	17,811	(2,889)
Total	<u>46,700</u>	<u>88,505</u>	<u>107,709</u>	<u>19,204</u>
TOTAL REVENUES	<u><u>\$ 8,438,141</u></u>	<u><u>\$ 8,891,896</u></u>	<u><u>\$ 9,570,313</u></u>	<u><u>\$ 678,417</u></u>

SYRACUSE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

EXPENDITURES:	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
General government:				
City council	\$ 59,341	\$ 59,341	\$ 56,497	\$ 2,844
City court	199,201	208,853	201,348	7,505
Administration	926,351	978,314	915,818	62,496
Community and Economic Development	590,772	586,335	551,143	35,192
Buildings and grounds	297,984	321,475	315,471	6,004
Information Systems	72,400	72,400	72,391	9
Total	2,146,049	2,226,718	2,112,668	114,050
Public safety:				
Police department	2,078,719	2,241,826	2,185,654	56,172
Fire department	1,613,548	1,769,930	1,631,358	138,572
Total	3,692,267	4,011,756	3,817,012	194,744
Public works:				
Streets	842,833	1,792,503	899,404	893,099
Street Lighting	104,000	530,600	530,508	92
Class "C" roads	1,024,930	1,537,405	740,647	796,758
Total	1,971,763	3,860,508	2,170,559	1,689,949
Parks and recreation	1,016,942	1,107,244	1,050,209	57,035
Debt Service:				
Debt principal	135,000	184,753	184,753	-
Debt interest and fees	55,983	94,630	75,375	19,255
Total	190,983	279,383	260,128	19,255
TOTAL EXPENDITURES	9,018,004	11,485,609	9,410,576	2,075,033
EXCESS (DEFICIENCY) OF REVENUES FINANCING SOURCES (USES)	(579,863)	(2,593,713)	159,737	2,753,450
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Sale of capital assets	1,950,000	2,000,000	14,242	(1,985,758)
Transfers in	186,983	186,983	186,983	-
Transfers out	-	-	-	-
Appropriations of Fund Balance	(1,557,120)	406,730	-	(406,730)
Total	579,863	2,593,713	201,225	(2,392,488)
NET CHANGE IN FUND BALANCE	-	-	360,962	360,962
FUND BALANCE, BEGINNING OF YEAR	3,140,592	3,140,592	3,140,592	-
FUND BALANCE, END OF YEAR	\$ 3,140,592	\$ 3,140,592	\$ 3,501,554	\$ 360,962

The Notes to the Financial Statements are an integral part of this statement.

SYRACUSE CITY
REDEVELOPMENT AGENCY - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUE:				
Property tax increment	\$ 445,000	\$ 360,000	\$ 341,362	(18,638)
Interest income	1,500	1,500	3,986	2,486
Total	<u>446,500</u>	<u>361,500</u>	<u>345,348</u>	<u>(16,152)</u>
EXPENDITURES:				
General Government	166,750	241,750	174,231	67,519
Capital Outlay	-	-	-	-
Repayment to financiers	89,305	389,305	171,444	217,861
Total	<u>256,055</u>	<u>631,055</u>	<u>345,675</u>	<u>285,380</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>190,445</u>	<u>(269,555)</u>	<u>(327)</u>	<u>269,228</u>
OTHER FINANCING SOURCES:				
Appropriations of Fund Balance	(190,445)	269,555	-	(269,555)
	<u>(190,445)</u>	<u>269,555</u>	<u>-</u>	<u>(269,555)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(327)</u>	<u>(327)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>690,508</u>	<u>690,508</u>	<u>690,508</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 690,508</u>	<u>\$ 690,508</u>	<u>\$ 690,181</u>	<u>\$ (327)</u>

The Notes to the Financial Statements are an integral part of this statement.

SYRACUSE CITY
MUNICIPAL BUILDING AUTHORITY - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUE:				
Lease payments	\$ 1,162,000	\$ 1,162,000	\$ 1,160,528	\$ (1,472)
Interest income	500	500	532	32
Total	<u>1,162,500</u>	<u>1,162,500</u>	<u>1,161,060</u>	<u>(1,440)</u>
EXPENDITURES:				
Debt Service:				
Principal Retirement	670,000	670,000	670,000	-
Interest and Fiscal Charges	492,076	492,076	491,545	531
Total	<u>1,162,076</u>	<u>1,162,076</u>	<u>1,161,545</u>	<u>531</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>424</u>	<u>424</u>	<u>(485)</u>	<u>(909)</u>
OTHER FINANCING SOURCES:				
Appropriations of fund balance	(424)	(424)	-	424
Transfer (contribution) from other funds	-	-	-	-
Total	<u>(424)</u>	<u>(424)</u>	<u>-</u>	<u>424</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(485)</u>	<u>(485)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>8,173</u>	<u>8,173</u>	<u>8,173</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,173</u>	<u>\$ 8,173</u>	<u>\$ 7,688</u>	<u>\$ (485)</u>

The Notes to the Financial Statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities - Enterprise Funds	
	Culinary Water Fund	Sewer Fund
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ 2,146,023	\$ 990,559
Accounts receivable (net)	140,715	110,065
Due from other governments	258,438	-
Total Current Assets	2,545,176	1,100,624
NONCURRENT ASSETS:		
Restricted Cash	234,250	-
Capital Assets:		
Water Stock	476,250	-
Land	20,308	-
Land improvements	-	-
Buildings	56,700	-
Furnishings, fixtures, and equipment	572,429	397,570
Work in Process	559,034	148,755
Delivery/Collection system	16,572,489	9,209,760
Less Accumulated depreciation	(5,265,361)	(2,723,768)
Total capital assets	12,991,849	7,032,317
Total Noncurrent Assets	13,226,099	7,032,317
TOTAL ASSETS	\$ 15,771,275	\$ 8,132,941
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 227,237	\$ 204,686
Accrued liabilities	6,678	6,096
Customer deposits	72,819	-
Due to other funds	-	-
Total Current Liabilities	306,734	210,782
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED FOR IMPACT FEES	12,991,849	7,032,317
UNRESTRICTED	2,472,692	889,842
TOTAL NET POSITION	\$ 15,464,541	\$ 7,922,159

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Net position of business-type activities

The Notes to the Financial Statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental Activities
Garbage Fund	Secondary Water Fund	Storm Water Fund	Total Enterprise Funds	Information Technology Fund
\$ 341,396	\$ 651,877	\$ 398,227	\$ 4,528,082	\$ 48,798
130,205	139,707	30,209	550,901	-
-	-	-	258,438	-
<u>471,601</u>	<u>791,584</u>	<u>428,436</u>	<u>5,337,421</u>	<u>48,798</u>
-	256,276	544,805	1,035,331	-
-	8,098,145	-	8,574,395	-
-	26,125	-	46,433	-
-	1,004,658	-	1,004,658	-
-	681,500	-	738,200	-
-	348,132	-	1,318,131	-
-	510,916	339,176	1,557,881	-
-	13,183,263	11,187,987	50,153,499	-
-	(4,967,075)	(5,389,180)	(18,345,384)	-
-	<u>18,885,664</u>	<u>6,137,983</u>	<u>45,047,813</u>	-
-	<u>19,141,940</u>	<u>6,682,788</u>	<u>46,083,144</u>	-
\$ <u>471,601</u>	\$ <u>19,933,524</u>	\$ <u>7,111,224</u>	\$ <u>51,420,565</u>	\$ <u>48,798</u>
\$ 90,656	\$ 82,199	\$ 21,017	\$ 625,795	\$ 8,462
-	6,371	4,042	23,187	-
-	-	7,000	79,819	-
-	-	-	-	-
<u>90,656</u>	<u>88,570</u>	<u>32,059</u>	<u>728,801</u>	<u>8,462</u>
-	18,885,664	6,137,983	45,047,813	-
-	256,276	544,805	801,081	-
<u>380,945</u>	<u>703,014</u>	<u>396,377</u>	<u>4,842,870</u>	<u>40,336</u>
\$ <u>380,945</u>	\$ <u>19,844,954</u>	\$ <u>7,079,165</u>	<u>50,691,764</u>	\$ <u>40,336</u>
			<u>24,024</u>	
			<u>\$ 50,715,788</u>	

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Culinary Water Fund</u>	<u>Sewer Fund</u>
OPERATING REVENUES:		
Monthly service charges	\$ 1,632,286	\$ 1,077,019
Connection fees	68,100	58,522
Other	6,590	-
Total	<u>1,706,976</u>	<u>1,135,541</u>
EXPENSES:		
Salaries, wages, and benefits	270,024	150,889
Contractual services	412,749	662,947
Operations	552,076	75,031
Depreciation	459,167	276,660
Total	<u>1,694,016</u>	<u>1,165,527</u>
OPERATING INCOME (LOSS)	<u>12,960</u>	<u>(29,986)</u>
NONOPERATING REVENUES (EXPENSES):		
Impact fees	188,718	-
Grant revenue	258,437	-
Gain (loss) on sale of Capital Assets	-	-
Interest revenue	15,174	5,530
Interest expense	-	-
Total	<u>462,329</u>	<u>5,530</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>475,289</u>	<u>(24,456)</u>
Developers infrastructure contributions	127,040	76,438
Transfers	-	-
NET CHANGE IN POSITION	<u>602,329</u>	<u>51,982</u>
NET POSITION, BEGINNING OF YEAR	<u>14,862,212</u>	<u>7,870,177</u>
NET POSITION, END OF YEAR	<u>\$ 15,464,541</u>	<u>\$ 7,922,159</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net position of business-type activities

Business-type Activities - Enterprise Funds				Governmental Activities
Garbage Fund	Secondary Water Fund	Storm Water Fund	Total Enterprise Funds	Information Technology Fund
\$ 1,236,541	\$ 1,345,299	\$ 293,778	\$ 5,584,923	\$ 181,602
-	52,254	-	178,876	-
19,300	-	-	25,890	-
<u>1,255,841</u>	<u>1,397,553</u>	<u>293,778</u>	<u>5,789,689</u>	<u>181,602</u>
48,601	216,123	133,675	819,312	127,492
1,073,342	271,212	-	2,420,250	-
69,850	480,450	113,089	1,290,496	36,562
-	415,766	203,230	1,354,823	-
<u>1,191,793</u>	<u>1,383,551</u>	<u>449,994</u>	<u>5,884,881</u>	<u>164,054</u>
64,048	14,002	(156,216)	(95,192)	17,548
-	248,723	282,644	720,085	-
-	-	-	258,437	-
-	-	-	-	-
1,937	6,915	7,070	36,626	221
-	-	-	-	-
<u>1,937</u>	<u>255,638</u>	<u>289,714</u>	<u>1,015,148</u>	<u>221</u>
65,985	269,640	133,498	919,956	17,769
-	59,897	250,979	514,354	-
-	(186,983)	-	(186,983)	-
<u>65,985</u>	<u>142,554</u>	<u>384,477</u>	<u>1,247,327</u>	<u>17,769</u>
314,960	19,702,400	6,694,688		22,567
<u>\$ 380,945</u>	<u>\$ 19,844,954</u>	<u>\$ 7,079,165</u>		<u>\$ 40,336</u>
			10,484	
			<u>\$ 1,257,811</u>	

SYRACUSE CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Culinary Water Fund</u>	<u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,724,526	\$ 1,124,677
Cash received from other activities	6,590	-
Cash payments for payroll and benefits	(270,024)	(150,889)
Cash payments for goods and services	(876,880)	(598,763)
Net cash provided by operating activities	<u>584,212</u>	<u>375,025</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned (charged) on cash deposits	<u>15,174</u>	<u>5,530</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from (to) other funds	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Impact fees	188,718	-
Cash received from intergovernmental grant	-	-
Cash payments for property and equipment purchases	(747,190)	(248,228)
Cash received from the sale of assets	-	-
Principal payments on debt	(113,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(671,472)</u>	<u>(248,228)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,086)	132,327
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,452,359	858,232
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,380,273</u>	<u>\$ 990,559</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 12,960	\$ (29,986)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	459,167	276,660
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	24,140	(10,864)
Increase (decrease) in accounts payable and accrued liabilities	87,945	139,215
Total adjustments	<u>571,252</u>	<u>405,011</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 584,212</u>	<u>\$ 375,025</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Developers infrastructure contributions	\$ 127,040	\$ 76,438

The Notes to the Financial Statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental
Garbage Fund	Secondary Water Fund	Storm Drain Fund	Proprietary Funds Total	Information Technology Fund
\$ 1,231,805	\$ 1,400,348	\$ 293,230	\$ 5,774,586	\$ -
19,300	-	-	25,890	181,602
(48,601)	(216,123)	(133,675)	(819,312)	(127,492)
(1,144,375)	(787,662)	(86,535)	(3,494,215)	(32,875)
58,129	396,563	73,020	1,486,949	21,235
1,937	6,915	7,070	36,626	221
-	(186,983)	-	(186,983)	-
-	(186,983)	-	(186,983)	-
-	248,723	282,644	720,085	-
-	-	-	-	-
-	(1,001,038)	(367,918)	(2,364,374)	-
-	-	-	-	-
-	-	-	(113,000)	-
-	(752,315)	(85,274)	(1,672,015)	-
60,066	(535,820)	(5,184)	1,336,592	21,456
281,330	1,443,973	948,216	5,984,110	27,342
\$ 341,396	\$ 908,153	\$ 943,032	\$ 5,563,413	\$ 48,798
\$ 64,048	\$ 14,002	\$ (156,216)	\$ (95,192)	\$ 17,548
-	415,766	203,230	1,354,823	-
(4,736)	2,795	(548)	-	-
(1,183)	(36,000)	26,554	-	3,687
(5,919)	382,561	229,236	1,354,823	3,687
\$ 58,129	\$ 396,563	\$ 73,020	\$ 1,259,631	\$ 21,235
\$ -	\$ 59,897	\$ 250,979	\$ 514,354	\$ -

SYRACUSE CITY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Syracuse City (the City) conform in all material respects to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). 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 following is a summary of the City's significant accounting policies.

A. 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, and the Municipal Building Authority of Syracuse.

Syracuse City Redevelopment Agency (RDA) is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows Syracuse City to gather property tax increment dollars from increased property values to pay for improvements in designated redevelopment areas. Activities for the RDA are blended with the City's special revenue funds. Separate financial statements are not issued or required for the Authority. 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 blended with the City's special revenue funds. Separate financial statements are not issued or required for the Authority. 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.

Discretely Presented Component Units - Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City. No entities have been identified as discretely presented component units.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements

The City's financial statements 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). 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.

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 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.

The *Statement of Net Position* presents the City's assets and liabilities, with the difference reported as net position. Net position are restricted when constraints placed upon them 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, RDA Fund, Debt Service Fund, and the Storm Water Fund did not meet the criteria of a "major fund".

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements (continued)

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.
- **MBA Fund** – This special revenue fund accounts for all activities of the Municipal Building Authority of Syracuse.
- **Capital Improvements / 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.
- **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.
- **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.

C. 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.

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. Non-operating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. The government considers all revenues available if they are collected within 60 days of year end. Expenditures are generally recorded when the related liability is incurred.

D. Assets, Liabilities, and Fund Balances / Net Position

Following are the City's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

Cash and Investments - Cash and cash equivalents consist of demand deposits with a local bank. 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 though-out 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 \$1,953,385 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.

Deposits and Inventory – Inventory in the General Fund consists of postage and other post office supplies 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.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, 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:

<u>Asset Class</u>	<u>Years</u>
Infrastructure Improvements	30
Buildings	30
Equipment	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 and Post-employment Benefits - City employees accrue vacation leave up to a maximum of 240 hours according to the following schedule:

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
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 into the next calendar 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 administrator. 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.

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.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Permanent full-time employees accrue sick leave at a rate of 3.69 hours for each two-week pay-period while part-time merit employees accrue sick leave at a pro-rated portion. Sick leave may accrue to a maximum of 1,040 hours. Sick leave is recorded as an expenditure/expense when used in all funds, and no liability is recorded for unused sick leave.

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.

D. Assets, Liabilities, and Fund Balances / Net Position (continued)

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, discounts, and issuance costs 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.

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 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 February 2009, GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2010. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

- a. Non-spendable – 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.
- 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 –Assigned amounts represent intended uses established by policies of the City Council, which includes giving the Treasurer the authority to constrain monies for intended purposes. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- e. 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.

D. Assets, Liabilities, and Fund Balances / Net Position (continued)

Government-wide Statements

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

- a. 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.
- b. 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.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental fund statements, fund balances are classified as reserved or unreserved. Reserves represent those portions of fund balance that are not appropriable for expenditure or are legally segregated for a specific future use. Unreserved fund balances are available for future appropriation, though some portions may be designated to represent management’s tentative plans for specific future uses.

It is the City’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

E. 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.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, telecommunication taxes, franchise taxes, Class C road funds, and federal and state grants.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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.

F. 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.

Current Year Excess of Expenditures Over Appropriations - For the year ended June 30, 2013 the Capital Improvement Fund had expenditures that exceeded appropriations.

Implementation of New Accounting Pronouncements

Beginning in 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position*. This statement provided guidance on the presentation of deferred outflows and inflows of resources. GASB No. 63 also changes the name of the first statement from "Statement of Net Assets" to "Statement of Net Position." It also changes the name of equity from "Net Assets" to "Net Position."

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City also implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes guidance from the classification of items that were previously reported as assets or liabilities that would now be classified as deferred outflows and inflows of resources. Implementation of this standard on the City's financial statements resulted in a prior year adjustment to the net position and is described below.

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.

A. 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 returned to it. The City does not have a formal deposit policy for custodial credit risk. Cash on hand at June 30, 2013 was \$1,200. The carrying amount of deposits was \$259,839 and the bank balance was \$607,489. Of the bank balance, \$250,000 was covered by federal depository insurance and \$357,489 was uninsured and uncollateralized.

B. 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.

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. The fair value of the PTIF Investment pool is approximately equal to the value of the pool shares.

As of June 30, 2013, all of the \$9,575,540 of City investments were deposited with the PTIF. This investment matures in less than a year and is not rated.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

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 previous table.

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, 2013 are as follows:

Cash on hand and on deposit:	
Cash on hand	\$ 1,200
Cash on deposit	259,839
PTIF investment	<u>9,575,540</u>
Total cash and investments	<u>\$ 9,836,579</u>
Cash and investments are included in the accompanying combined statement of net position as follows:	
Cash and cash equivalents	\$ 6,411,543
Restricted cash	<u>3,425,036</u>
Total cash and investments	<u>\$ 9,836,579</u>

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. ACCOUNTS RECEIVABLE

Receivables as of the fiscal year end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Receivables:			
Accounts Receivable	\$ 100,359	\$ -	\$ 100,359
Due From Other Governments	2,874,197	258,438	3,132,635
Utility and Service Charges	-	575,284	575,284
Gross Receivables	2,974,556	833,722	3,808,278
Less: Allowance for Uncollectibles	(1,429)	(24,383)	(25,812)
Net Total Receivables	\$ 2,973,127	\$ 809,339	\$ 3,782,466

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 9,021,159	\$ -	\$ -	\$ 9,021,159
Construction in Process	223,482	733,462	(218,756)	738,188
Total capital assets, not being depreciated	9,244,641	733,462	(218,756)	9,759,347
Capital assets, being depreciated				
Land Improvements	3,455,128	150,030	-	3,605,158
Buildings and Improvements	21,285,200	-	-	21,285,200
Equipment	4,649,313	296,626	(89,121)	4,856,818
Infrastructure	40,125,487	1,440,153	-	41,565,640
Total capital assets, being depreciated	69,515,128	1,886,809	(89,121)	71,312,816
Accumulated Depreciation for:				
Land Improvements	(562,303)	(115,171)	-	(677,474)
Buildings and Improvements	(3,673,527)	(709,507)	-	(4,383,034)
Equipment	(2,743,923)	(391,422)	53,291	(3,082,054)
Infrastructure	(15,639,571)	(1,232,789)	-	(16,872,360)
Total accumulated depreciation	(22,619,324)	(2,448,889)	53,291	(25,014,922)
Total capital assets, being depreciated, net	46,895,804	(562,080)	(35,830)	46,297,894
Governmental activities capital assets, net	\$56,140,445	\$ 171,382	\$ (254,586)	\$56,057,241

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 294,483
Public Safety	517,855
Public Works	1,333,819
Parks and Recreation	<u>302,732</u>

Total Depreciation Expense \$ 2,448,889

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Water Stock	\$ 8,574,395	\$ -	\$ -	\$ 8,574,395
Land	46,433	-	-	46,433
Construction in Process	<u>279,410</u>	<u>1,557,881</u>	<u>(279,410)</u>	<u>1,557,881</u>
Total capital assets, not being depreciated	<u>8,900,238</u>	<u>1,557,881</u>	<u>(279,410)</u>	<u>10,178,709</u>
Capital assets, being depreciated				
Land Improvements	1,004,658	-	-	1,004,658
Buildings	738,200	-	-	738,200
Equipment	1,202,388	115,743	-	1,318,131
Infrastructure	<u>48,668,985</u>	<u>1,484,514</u>	-	<u>50,153,499</u>
Total capital assets, being depreciated	<u>51,614,231</u>	<u>1,600,257</u>	<u>-</u>	<u>53,214,488</u>
Accumulated Depreciation for:				
Land Improvements	(154,865)	(20,093)	-	(174,958)
Buildings	(124,076)	(23,851)	-	(147,927)
Equipment	(931,886)	(85,754)	-	(1,017,640)
Infrastructure	<u>(15,779,734)</u>	<u>(1,225,125)</u>	-	<u>(17,004,859)</u>
Total accumulated depreciation	<u>(16,990,561)</u>	<u>(1,354,823)</u>	<u>-</u>	<u>(18,345,384)</u>
Total capital assets, being depreciated, net	<u>34,623,670</u>	<u>245,434</u>	<u>-</u>	<u>34,869,104</u>
Business-type activities capital assets, net	<u><u>\$43,523,908</u></u>	<u><u>\$1,803,315</u></u>	<u><u>\$ (279,410)</u></u>	<u><u>\$45,047,813</u></u>

Depreciation expense was charged to functions as follows:

Business-type Activities:

Culinary Water	\$ 459,167
Sewer	276,660
Secondary Water	415,766
Storm Water	<u>203,230</u>

Total Depreciation Expense \$ 1,354,823

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5. CUSTOMER DEPOSITS

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. As of June 30, 2013 the customer deposits balance held by the City was \$72,819.

NOTE 6. CHANGES TO LEASES AND LONG-TERM LIABILITIES

Changes in Long-term Liabilities (including compensated absences) for the year ended June 30, 2013 were as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities:					
2005 Park Development Bond	\$ 1,260,000	\$ -	\$ (135,000)	\$ 1,125,000	\$ 140,000
2006 MBA Facilities Bond	8,030,000	-	(365,000)	7,665,000	375,000
2012 MBA Fire Station Bond	5,572,000	-	(305,000)	5,267,000	308,000
Capital Lease - 10 Wheeler	146,357	-	(35,067)	111,290	36,063
Capital Lease - Police Vehicles	292,061	-	(120,140)	171,921	97,331
Capital Lease - Street Lights	620,268	-	(49,753)	570,515	64,379
Compensated Absences	302,588	203,954	(205,533)	301,009	80,960
Bond Premiums	164,505	-	(10,282)	154,223	-
<i>Total Governmental Activities</i>	<u>16,387,779</u>	<u>203,954</u>	<u>(1,225,775)</u>	<u>15,365,958</u>	<u>1,101,733</u>
Business-type Activities:					
Water Revenue Note 1992A	55,000	-	(55,000)	-	-
Water Revenue Note 1992B	58,000	-	(58,000)	-	-
<i>Total Business-type Activities</i>	<u>113,000</u>	<u>-</u>	<u>(113,000)</u>	<u>-</u>	<u>-</u>
Total Long-term Liabilities	<u>\$ 16,500,779</u>	<u>\$ 203,954</u>	<u>\$(1,338,775)</u>	<u>\$ 15,365,958</u>	<u>\$ 1,103,733</u>

The compensated absence liability of governmental activities is liquidated in the General Fund, special revenue fund, or internal service fund where the related employing department operates. Additional information related to these long-term liabilities is found in the following tables including debt service requirements to maturity.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. LEASES

The City has three outstanding lease purchase agreements. 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.

The assets acquired through outstanding capital leases are as follows:

	Governmental Activities		
	General Fund		
	10 Wheeler	Police Vehicles	Street Lights
Vehicles	\$ 180,775	\$ 356,329	\$ -
Street Lights	-	-	680,440
Accumulated Amortization	(9,039)	(89,082)	(15,121)
Total	\$ 171,736	\$ 267,247	\$ 665,319

A. 2012 Capital Lease – 10 Wheeler

On November 1, 2011 the City acquired a 10 Wheeler for their Public Works Department through a capital lease purchase agreement. The lease has an interest rate of 2.82%. Payments are due semi-annually on November 1st and May 1st of each year until 2016. The payments are made from the Capital Improvement Fund.

2012 Capital Lease - 10 Wheeler				
Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2013
11/1/2011	5/1/2016	2.82%	\$ 183,000	\$ 111,290
Total Capital Lease - 10 Wheeler				\$ 111,290

Year Ended June 30,	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2014	\$ 36,062	\$ 2,887	\$ 38,949
2015	37,087	1,862	38,949
2016	38,141	808	38,949
Totals	\$ 111,290	\$ 5,557	\$ 116,847

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. LEASES (continued)

B. 2012 Capital Lease – Police Vehicles

On February 15, 2012 the City acquired ten police vehicles through a capital lease purchase agreement. The lease has an interest rate of 2.70%. Payments are due annually on February 15th of each year until 2015. The payments are made from the General Fund.

2012 Capital Lease - Police Vehicles				
Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2013
02/15/12	02/15/15	2.70%	\$ 394,719	\$ 171,921
Total Capital Lease - Police Vehicles				\$ 171,921

Year Ended June 30,	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2014	\$ 97,331	\$ 5,327	\$ 102,658
2015	74,590	2,700	77,290
Totals	\$ 171,921	\$ 8,027	\$ 179,948

C. 2012 Capital Lease – Street Lights

On April 13, 2012 the City acquired street lights through a capital lease purchase agreement. The lease has an interest rate of 3.15%. Payments are due semi-annually on October 13th and April 13th of each year until 2020. The payments are made from the General Fund.

2012 Capital Lease - Street Lights				
Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2013
04/13/12	04/13/20	3.15%	\$ 620,268	\$ 570,515
Total Capital Lease - Street Lights				\$ 570,515

Year Ended June 30,	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2014	\$ 64,379	\$ 17,468	\$ 81,847
2015	69,530	15,400	84,930
2016	74,996	13,167	88,163
2017	80,795	10,759	91,554
2018	86,946	8,166	95,112
2019	93,472	5,377	98,849
2020	100,397	2,378	102,775
Totals	\$ 570,515	\$ 72,715	\$ 643,230

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. LONG-TERM LIABILITIES

A. Park Development Sales Tax Revenue Bonds, Series 2005

On April 5, 2005, the City issued \$2,100,000 in Park Development Sales Tax Revenue Bonds for the purpose of financing the acquisition of water shares; the construction of a water reservoir; improvements to the secondary water system; park improvements and other City-owned capital improvements. Park Development Bonds payable at June 30, 2013 consists of the following:

2005 Park Development Sales Tax Revenue Bonds Payable				
Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2013
04/28/05	01/01/20	3.0 - 4.3%	\$ 2,100,000	\$ 1,125,000
Total Park Development Sales Tax Revenue Bonds				<u>\$ 1,125,000</u>

Year Ended June 30,	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2014	\$ 140,000	\$ 46,853	\$ 186,853
2015	150,000	41,253	191,253
2016	155,000	35,103	190,103
2017	160,000	28,748	188,748
2018	165,000	22,108	187,108
2019	175,000	15,178	190,178
2020	180,000	7,740	187,740
Totals	<u>\$ 1,125,000</u>	<u>\$ 196,983</u>	<u>\$ 1,321,983</u>

B. Municipal Building Authority Lease Revenue Bonds, Series 2006

On December 20, 2006, the MBA issued \$9,350,000 in Lease Revenue Bonds for the purpose of financing the construction of a new city hall, a public works addition, and the remodel of public safety structures. MBA Lease Revenue Bonds payable at June 30, 2013 consists of the following:

2006 Municipal Building Authority Lease Revenue Bonds Payable				
Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2013
04/28/05	04/01/28	4.0 - 5.0%	\$ 9,350,000	\$ 7,665,000
Total Lease Revenue Bonds Payable				<u>\$ 7,665,000</u>

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. LONG-TERM LIABILITIES (continued)

B. Municipal Building Authority Lease Revenue Bonds, Series 2006 (continued)

Year Ended June 30,	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2014	\$ 375,000	\$ 330,266	\$ 705,266
2015	390,000	315,266	705,266
2016	415,000	295,766	710,766
2017	435,000	275,016	710,016
2018	445,000	258,704	703,704
2019-2023	2,515,000	1,017,894	3,532,894
2024-2028	3,090,000	428,850	3,518,850
Totals	\$ 7,665,000	\$ 2,921,762	\$ 10,586,762

C. Municipal Building Authority Lease Revenue Bonds, Series 2012

On March 29, 2012, the MBA refinanced their 2008 Lease Revenue Bonds and issued the 2012 Lease Revenue Bonds. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a net savings to the City of \$235,558 in debt obligations. The MBA Lease Revenue Bonds, Series 2012 are as follows:

2012 Municipal Building Authority Lease Revenue Bonds Payable				
Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2013
03/29/12	04/01/28	3.05%	\$ 5,572,000	\$ 5,267,000
Total Lease Revenue Bonds Payable				<u>\$ 5,267,000</u>

Year Ended June 30,	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2014	\$ 308,000	\$ 136,113	\$ 444,113
2015	310,000	133,495	443,495
2016	313,000	130,302	443,302
2017	317,000	126,076	443,076
2018	323,000	121,289	444,289
2019-2023	1,714,000	504,644	2,218,644
2024-2028	1,982,000	236,250	2,218,250
Totals	\$ 5,267,000	\$ 1,388,169	\$ 6,655,169

E. Water Revenue Notes, Series 1992

During January 1992, the City issued \$2,200,000 in Water Revenue Notes with the State of Utah. These are zero interest notes available to local units of government for the purpose of water conservation through improved delivery systems. The City used the proceeds from these notes to construct a storage reservoir and upgrade the main transmission lines throughout the City. The Water Revenue Notes Payable were paid off during the year ended June 30, 2013 in the amount of \$113,000.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9. INTERFUND TRANSFERS

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in another fund. This year's transfers were as follows:

The Secondary Water Fund transferred \$186,793 to the General Fund for payments for the Park Development Sales Tax Bond.

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; injuries to employees; and natural disasters. 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. This year's liability insurance premium of \$74,532 is part of the Administration Department Budget. Settlement amounts have not exceeded insurance coverage for the current year or the prior three years.

NOTE 11. RETIREMENT PLANS

A. Pension Plans

Syracuse City contributes to the Local Government Contributory System, Local Government Noncontributory Retirement System, Public Safety and Firefighters System (Tier 2), the Firefighters Retirement System, and the Public Safety Noncontributory Retirement System collectively, the Systems), all of which are cost-sharing multiple-employer defined benefit pension plans. The Systems are administered by Utah Retirement Systems (URS) under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the governor. URS is established under and governed by Title 49 of *Utah Code Annotated, 1953*, as amended (UCA). URS publishes an annual financial report that includes financial statements and required supplementary information for all retirement systems and deferred compensation plans administered by it. Copies of the report may be obtained by writing to Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102; by calling 1-800-365-8772.

Retirement benefits, as specified by UCA Title 49, cover substantially all employees of the State, public education, and other political subdivisions of the State. Only the State Legislature can modify benefits. The Systems provide pension, death, and disability benefits for employees who meet all eligibility requirements. Employees are eligible for retirement benefits upon attainment of the age specified for their employment classification or a combination of age plus years of service. A brief summary of eligibility, benefits, and contribution rates of the Systems is provided in the table below.

Expenditures or expenses for retirement costs are recorded in the City's funds as contributions are made to the Systems. Contributions made each year were equal to the contributions required by the City's contract with URS. Therefore, the City has no liability for pension obligations.

B. Deferred Compensation Plans

The City participates in a 401(k) Plan and a 457 Plan (collectively, the Plans), both of which are defined contribution plans administered by URS. The Plans are in addition to the retirement benefits outlined above. Voluntary contributions may be made to the Plans subject to URS and Internal Revenue Service limitations. Employees may contribute to both Plans up to maximum percentages allowed by IRS regulations.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11. RETIREMENT PLANS (continued)

Account balances of the Plans are fully vested to the participants at the time of deposit. All assets and income of the Plans are held by URS for the exclusive benefit of the participants or their beneficiaries. Syracuse City contributes to employees' 401(k) Plans. These contributions are not matching contributions, but were for employees of the City that had met the criteria to exempt out of the URS defined benefit retirement plans or are already receiving a defined benefit retirement through URS and received contributions to their 401(k) Plans in lieu of contributions to a URS defined benefit retirement plan.

	Local Government Contributory System (Tier 2)	Local Government Noncontributory System	Public Safety & Firefighters System (Tier 2)	Firefighters System	Public Safety Noncontributory System
Highest Average Salary	Highest 5 Years	Highest 3 Years	Highest 5 Years	Highest 3 Years	Highest 3 Years
Years of Service and Age of Eligibility	35 years any age 20 years age 60 10 years age 62 4 years age 65	30 years any age 25 years any age 20 years age 60 10 years age 62 4 years age 65	25 years any age 20 years age 60 10 years age 62 4 years age 65	20 years any age 10 years age 60 4 years age 65	20 years any age 10 years age 60 4 years age 65
Benefit Percent per Year of Service	1.50% per year	2.00% per year	1.50% per year	2.50% per year up to 20 years 2.00% per year over 20 years Benefit cannot exceed 70% of final average salary.	2.50% per year up to 20 years 2.00% per year over 20 years Benefit cannot exceed 70% of final average salary.
Annual Cost of Living Adjustment	up to 2.50%	up to 4.00%	up to 2.50%	up to 2.50%	up to 2.50%
2013 Rates as Percent of Covered Payroll:					
Employer	12.74%	16.04%	N/A	2.66%	30.45%
Member	N/A	N/A	N/A	15.05%	N/A
Employer (Firefighter)	N/A	N/A	11.10%	N/A	N/A
Employer (Public Safety)	N/A	N/A	19.25%	N/A	N/A
Actual City Contributions Made, by year (ended 6/30):					
2013	\$18,924	\$281,936	\$4,714	\$80,958	\$256,243
2012	\$9,491	\$242,691	\$3,371	\$72,378	\$227,705
2011	\$0	\$239,080	\$0	\$85,764	\$213,023

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11. RETIREMENT PLANS (continued)

Total City Contributions by Year:	
2013	\$642,775
2013 Employer Paid 401K	38,646
	\$681,421
2012	\$555,636
2012 Employer Paid 401K	39,152
	\$594,788
2011	\$537,867
2011 Employer Paid 401K	21,141
	\$559,008

NOTE 12. CONTINGENCIES

The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the City believes such disallowances, if any, will be immaterial.

NOTE 13. SYRACUSE CITY REDEVELOPMENT AGENCY (RDA)

The Syracuse City Redevelopment Agency was established in 1992 to target specific areas of the City that were planned for improvements. The Agency 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 Agency has established three project areas, 1700 South established in 1993, 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 sixth year that the 1700 South and 750 West project areas have received tax increment payments from the property tax system. The SR-193 EDA project area has not collected any tax increment as of June 30, 2013. It is anticipated that the first year of tax increment for the SR-193 EDA will be taken in FY2015 once a tax base is established and a tax increment is generated.

These project areas collected \$341,362 in tax increment monies in the fiscal year ended June 30, 2013. The collections were used to make infrastructure improvements to the 1700 South project area, repay the developer for improvements on the 1700 South project, and cover the costs incurred for administration of the Redevelopment Agency.

SYRACUSE CITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 14. MUNICIPAL BUILDING AUTHORITY OF SYRACUSE (MBA)

The Municipal Building Authority of Syracuse 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 15. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

State code requires the General fund to maintain its actual expenditures below an approved budget in each department and special revenue funds, capital project funds, and debt service funds to maintain expenditures within appropriations by the fund in total. The City's Capital Improvement Fund has expenditures in excess of appropriations by \$21,033.

NOTE 16 – RESTATEMENT– CHANGE IN ACCOUNTING STANDARD

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2012, but the City has elected to early implement this standard to coincide with the changes from Statement 63.

The effect of this statement on the financial statements of the City is the restatement of writing off the debt issuance costs, in the amount of \$509,636, as those costs no longer met the criteria of an asset or as a deferred outflow based on this Statement. Also the expenses of the City no longer include the amortization expense.

(This page is intentionally left blank.)

SYRACUSE CITY CORPORATION

SUPPLEMENTAL INFORMATION

SYRACUSE CITY
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Franchise tax	\$ 1,242,000	\$ 1,292,000	\$ 1,337,696	\$ 45,696
Cell tower lease	65,000	65,000	67,756	2,756
Interest	-	-	1,083	1,083
Grants	75,000	75,000	75,000	-
Miscellaneous	-	-	37,551	37,551
Total	<u>1,382,000</u>	<u>1,432,000</u>	<u>1,519,086</u>	<u>87,086</u>
EXPENDITURES:				
Capital Projects	75,000	235,000	236,030	(1,030)
Debt Service - Principal	145,000	133,732	155,207	(21,475)
Debt Service - Interest	-	11,268	11,268	-
MBA Lease payments	1,162,000	1,162,000	1,160,528	1,472
Total	<u>1,382,000</u>	<u>1,542,000</u>	<u>1,563,033</u>	<u>(21,033)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)				
	<u>-</u>	<u>(110,000)</u>	<u>(43,947)</u>	<u>66,053</u>
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance	-	110,000	-	(110,000)
Transfers from (to) other funds	-	-	-	-
Total	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>(110,000)</u>
NET CHANGE IN FUND BALANCE				
	<u>-</u>	<u>-</u>	<u>(43,947)</u>	<u>(43,947)</u>
FUND BALANCE, BEGINNING OF YEAR				
	<u>193,388</u>	<u>193,388</u>	<u>193,388</u>	<u>-</u>
FUND BALANCE, END OF YEAR				
	<u>\$ 193,388</u>	<u>\$ 193,388</u>	<u>\$ 149,441</u>	<u>\$ (43,947)</u>

SYRACUSE CITY
CULINARY WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING REVENUE:				
Water sales	\$ 1,549,500	\$ 1,600,000	\$ 1,632,286	\$ 32,286
Connection fees	48,750	63,750	68,100	4,350
Other	500	500	6,590	6,090
Total	<u>1,598,750</u>	<u>1,664,250</u>	<u>1,706,976</u>	<u>42,726</u>
OPERATING EXPENDITURES:				
Public works:				
Salaries, wages, and benefits	270,691	274,691	270,024	4,667
Contractual services	413,000	413,000	412,749	251
Operations	548,401	593,401	552,076	41,325
Depreciation	475,000	480,400	459,167	21,233
Total	<u>1,707,092</u>	<u>1,761,492</u>	<u>1,694,016</u>	<u>67,476</u>
OPERATING INCOME (LOSS)	<u>(108,342)</u>	<u>(97,242)</u>	<u>12,960</u>	<u>110,202</u>
NONOPERATING REVENUES (EXPENSES):				
Culinary water impact fees	144,900	144,900	188,718	43,818
Grant revenue	312,168	387,168	258,437	(128,731)
Sale of capital assets	-	-	-	-
Interest revenue	13,500	16,500	15,174	(1,326)
Total	<u>470,568</u>	<u>548,568</u>	<u>462,329</u>	<u>(86,239)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS:	<u>362,226</u>	<u>451,326</u>	<u>475,289</u>	<u>23,963</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Developers infrastructure contributions	-	-	127,040	127,040
NET CHANGE IN POSITION	<u>362,226</u>	<u>451,326</u>	<u>602,329</u>	<u>151,003</u>
NET POSITION, BEGINNING OF YEAR	<u>14,862,212</u>	<u>14,862,212</u>	<u>14,862,212</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 15,224,438</u>	<u>\$ 15,313,538</u>	<u>\$ 15,464,541</u>	<u>\$ 151,003</u>

SYRACUSE CITY
SEWER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING REVENUE:				
Sewer service charges	\$ 1,055,000	\$ 1,070,000	\$ 1,077,019	\$ 7,019
Connection fees	45,000	55,000	58,522	3,522
Total	<u>1,100,000</u>	<u>1,125,000</u>	<u>1,135,541</u>	<u>10,541</u>
OPERATING EXPENDITURES:				
Public Works:				
Salaries, wages, and benefits	146,561	155,561	150,889	4,672
Contracted services	650,000	665,000	662,947	2,053
Operating expenses	89,480	89,480	75,031	14,449
Depreciation	285,000	286,000	276,660	9,340
Total	<u>1,171,041</u>	<u>1,196,041</u>	<u>1,165,527</u>	<u>30,514</u>
OPERATING INCOME (LOSS)	<u>(71,041)</u>	<u>(71,041)</u>	<u>(29,986)</u>	<u>41,055</u>
NONOPERATING REVENUES (EXPENSES):				
Interest	4,000	6,000	5,530	(470)
Total	<u>4,000</u>	<u>6,000</u>	<u>5,530</u>	<u>(470)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS:	<u>(67,041)</u>	<u>(65,041)</u>	<u>(24,456)</u>	<u>40,585</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Developers infrastructure contributions	-	-	76,438	76,438
NET CHANGE IN POSITION	<u>(67,041)</u>	<u>(65,041)</u>	<u>51,982</u>	<u>117,023</u>
NET POSITION, BEGINNING OF YEAR	<u>7,870,177</u>	<u>7,870,177</u>	<u>7,870,177</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 7,803,136</u>	<u>\$ 7,805,136</u>	<u>\$ 7,922,159</u>	<u>\$ 117,023</u>

SYRACUSE CITY
GARBAGE UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING REVENUE:				
Garbage collection fees	\$ 1,108,560	\$ 1,123,560	\$ 1,131,482	\$ 7,922
Green waste collection fees	93,600	103,600	105,059	1,459
Other	15,000	15,000	19,300	4,300
Total	<u>1,217,160</u>	<u>1,242,160</u>	<u>1,255,841</u>	<u>13,681</u>
OPERATING EXPENDITURES:				
Public Works:				
Salaries, wages, and benefits	49,598	51,598	48,601	2,997
Contractual services	1,088,000	1,096,000	1,073,342	22,658
Operating expenses	78,330	78,330	69,850	8,480
Depreciation	-	-	-	-
Total	<u>1,215,928</u>	<u>1,225,928</u>	<u>1,191,793</u>	<u>34,135</u>
OPERATING INCOME (LOSS)	<u>1,232</u>	<u>16,232</u>	<u>64,048</u>	<u>47,816</u>
NONOPERATING REVENUES (EXPENSES):				
Interest	500	500	1,937	1,437
Total	<u>500</u>	<u>500</u>	<u>1,937</u>	<u>1,437</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS:	<u>1,732</u>	<u>16,732</u>	<u>65,985</u>	<u>49,253</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Transfer to/from other funds	-	-	-	-
NET CHANGE IN POSITION	<u>1,732</u>	<u>16,732</u>	<u>65,985</u>	<u>49,253</u>
NET POSITION, BEGINNING OF YEAR	<u>314,960</u>	<u>314,960</u>	<u>314,960</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 316,692</u>	<u>\$ 331,692</u>	<u>\$ 380,945</u>	<u>\$ 49,253</u>

SYRACUSE CITY
SECONDARY WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING REVENUE:				
Water Sales	\$ 1,322,000	\$ 1,337,000	\$ 1,345,299	\$ 8,299
Connection fees	45,000	45,000	52,254	7,254
Total	<u>1,367,000</u>	<u>1,382,000</u>	<u>1,397,553</u>	<u>15,553</u>
OPERATING EXPENDITURES:				
Public Works:				
Salaries, wages, and benefits	229,111	231,161	216,123	15,038
Water and pumping	285,000	285,000	271,212	13,788
Operating expenses	478,740	491,690	480,450	11,240
Depreciation	430,000	430,000	415,766	14,234
Total	<u>1,422,851</u>	<u>1,437,851</u>	<u>1,383,551</u>	<u>54,300</u>
OPERATING INCOME (LOSS)	<u>(55,851)</u>	<u>(55,851)</u>	<u>14,002</u>	<u>69,853</u>
NONOPERATING REVENUES (EXPENSES):				
Impact fees	120,000	120,000	248,723	128,723
Interest revenue	5,700	5,700	6,915	1,215
Total	<u>125,700</u>	<u>125,700</u>	<u>255,638</u>	<u>129,938</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS:	<u>69,849</u>	<u>69,849</u>	<u>269,640</u>	<u>199,791</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Developers infrastructure contributions	-	-	59,897	59,897
Transfer to/from other funds	(186,983)	(186,983)	(186,983)	-
NET CHANGE IN POSITION	<u>(117,134)</u>	<u>(117,134)</u>	<u>142,554</u>	<u>259,688</u>
NET POSITION, BEGINNING OF YEAR	<u>19,702,400</u>	<u>19,702,400</u>	<u>19,702,400</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 19,585,266</u>	<u>\$ 19,585,266</u>	<u>\$ 19,844,954</u>	<u>\$ 259,688</u>

SYRACUSE CITY
STORM WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING REVENUES:				
Storm water user fees	\$ 288,000	\$ 289,000	\$ 293,778	\$ 4,778
Total	<u>288,000</u>	<u>289,000</u>	<u>293,778</u>	<u>4,778</u>
OPERATING EXPENDITURES:				
Payroll & benefits	140,861	142,861	133,675	9,186
Operating costs	143,280	143,280	113,089	30,191
Depreciation	210,000	209,000	203,230	5,770
Total	<u>494,141</u>	<u>495,141</u>	<u>449,994</u>	<u>45,147</u>
OPERATING INCOME (LOSS)	<u>(206,141)</u>	<u>(206,141)</u>	<u>(156,216)</u>	<u>49,925</u>
NONOPERATING REVENUES (EXPENSES):				
Storm water impact fees	180,000	180,000	282,644	102,644
Interest	4,000	4,000	7,070	3,070
Total	<u>184,000</u>	<u>184,000</u>	<u>289,714</u>	<u>105,714</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS:	<u>(22,141)</u>	<u>(22,141)</u>	<u>133,498</u>	<u>155,639</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Developers infrastructure contributions	-	-	250,979	250,979
NET CHANGES IN POSITION	<u>(22,141)</u>	<u>(22,141)</u>	<u>384,477</u>	<u>406,618</u>
NET POSITION, BEGINNING OF YEAR	<u>6,694,688</u>	<u>6,694,688</u>	<u>6,694,688</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 6,672,547</u>	<u>\$ 6,672,547</u>	<u>\$ 7,079,165</u>	<u>\$ 406,618</u>

SYRACUSE CITY
INFORMATION TECHNOLOGY FUND - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING REVENUE:				
Department charges	\$ 181,602	\$ 181,602	\$ 181,602	\$ -
Total	<u>181,602</u>	<u>181,602</u>	<u>181,602</u>	<u>-</u>
OPERATING EXPENDITURES:				
General government:				
Salaries, wages, and benefits	124,782	128,207	127,492	715
Operating costs	42,131	38,706	36,562	2,144
Depreciation	-	-	-	-
Total	<u>166,913</u>	<u>166,913</u>	<u>164,054</u>	<u>2,859</u>
OPERATING INCOME (LOSS)	<u>14,689</u>	<u>14,689</u>	<u>17,548</u>	<u>2,859</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	50	50	221	171
Total	<u>50</u>	<u>50</u>	<u>221</u>	<u>171</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS:	<u>14,739</u>	<u>14,739</u>	<u>17,769</u>	<u>3,030</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
NET CHANGE IN POSITION	<u>14,739</u>	<u>14,739</u>	<u>17,769</u>	<u>3,030</u>
NET POSITION, BEGINNING OF YEAR	<u>22,567</u>	<u>22,567</u>	<u>22,567</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 37,306</u>	<u>\$ 37,306</u>	<u>\$ 40,336</u>	<u>\$ 3,030</u>

STATISTICAL SECTION

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 <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	84
REVENUE CAPACITY <i>These schedules contain information to help the reader assess the City’s most significant local revenue sources, the sales tax and property tax.</i>	95
DEBT CAPACITY <i>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.</i>	101
DEMOGRAPHICS AND ECONOMIC INFORMATION <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	104
OPERATING INFORMATION <i>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.</i>	106

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
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
2004-05	4,823,724	673,663	51,196	2,749,144	178,844	2,948,371	11,424,942
2003-04	4,255,492	585,427	-	2,247,177	103,713	2,894,597	10,086,406

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

Fiscal Year	General Government	Public Safety	Public Works ¹	Parks and Recreation	Interest and Fiscal Charges	Culinary Water Utility ²	Sewer Utility ²	Garbage Utility ²	Secondary Water Utility	Storm Water Utility ¹	Total
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
2004-05	951,595	2,277,896	1,325,077	559,582	93,907	2,483,785	-	-	824,374	-	8,516,216
2003-04	999,187	1,650,640	1,631,681	485,077	116,070	2,275,780	-	-	759,798	-	7,918,233

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 CORPORATION
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}	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	TOTAL
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
2004-05	2,002,561	749,411	1,348,894	724,859	-	559,906	179,377	73,556	5,638,564
2003-04	1,790,455	709,376	1,481,496	609,626	-	480,870	183,592	71,221	5,326,636

Note:

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

¹ 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

² Beginning in FY 2011, a management fee was charged to the redevelopment fund. This is included in management and admin fees above

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

Fiscal Year	General Government ³	Public Safety	Public Works	Parks and Recreation	Capital Outlay ²	Debt Service	Other Financing Uses ¹	Total
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
2004-05	893,866	1,665,896	887,202	559,085	3,066,146	-	49,034	7,121,229
2003-04	953,575	1,418,379	805,440	448,822	722,082	-	-	4,348,298

Notes:

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

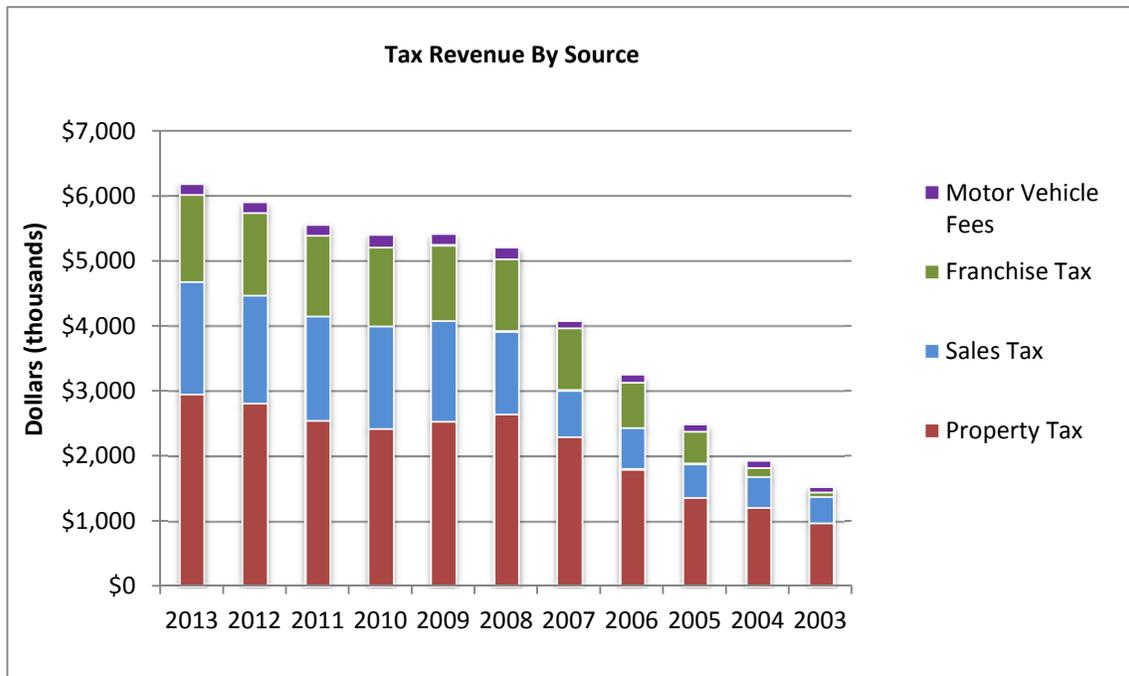
¹ Other financing uses includes transfers to other funds.

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.

SYRACUSE CITY CORPORATION
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
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
2005	1,366	525	490	111	2,492
2004	1,208	480	142	102	1,932
2003	980	403	71	89	1,543



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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 40,992	\$ 40,565	\$ 41,578	\$ 39,654	\$ 42,374	\$ 38,986	\$ 27,251	\$ 30,562	\$ 23,606	\$ 20,879
Restricted	2,298	1,771	811	727	867	6,675	9,615	2,374	5,324	4,518
Unrestricted	1,618	1,812	811	314	726	672	514	2,260	447	(43)
Total governmental activities net position	\$ 44,908	\$ 44,148	\$ 43,200	\$ 40,695	\$ 43,967	\$ 46,333	\$ 37,380	\$ 35,196	\$ 29,377	\$ 25,354
Business-type activities										
Net investment in capital assets	\$ 45,048	\$ 43,411	\$ 43,820	\$ 41,712	\$ 35,180	\$ 34,458	\$ 27,598	\$ 25,486	\$ 22,679	\$ 18,812
Restricted	801	1,042	970	714	136	900	1,464	1,346	2,508	2,068
Unrestricted	4,867	5,005	4,229	3,892	2,385	1,964	2,797	1,949	177	372
Total business-type activities net position	\$ 50,716	\$ 49,458	\$ 49,019	\$ 46,318	\$ 37,701	\$ 37,322	\$ 31,859	\$ 28,781	\$ 25,364	\$ 21,252
Primary government										
Net investment in capital assets	\$ 86,040	\$ 83,976	\$ 85,398	\$ 81,366	\$ 77,554	\$ 73,444	\$ 54,849	\$ 56,048	\$ 46,285	\$ 39,691
Restricted	3,099	2,813	1,781	1,441	1,003	7,575	11,079	3,720	7,832	6,586
Unrestricted	6,485	6,817	5,040	4,206	3,111	2,636	3,311	4,209	624	329
Total primary government net position	\$ 95,624	\$ 93,606	\$ 92,219	\$ 87,013	\$ 81,668	\$ 83,655	\$ 69,239	\$ 63,977	\$ 54,741	\$ 46,606

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 2,744	\$ 2,378	\$ 2,094	\$ 1,663	\$ 2,107	\$ 1,685	\$ 1,741	\$ 943	\$ 952	\$ 999
Public safety	4,349	3,924	3,844	3,724	3,945	3,464	2,678	2,749	2,278	1,651
Public works ¹	1,983	1,907	2,115	2,121	3,809	3,899	1,995	1,517	1,325	1,632
Parks and recreation	1,109	1,241	1,299	1,084	1,160	1,004	1,091	796	559	485
Interest and fiscal charges	560	687	684	696	784	248	199	143	94	116
Total governmental activities expenses	<u>10,745</u>	<u>10,137</u>	<u>10,036</u>	<u>9,288</u>	<u>11,805</u>	<u>10,300</u>	<u>7,704</u>	<u>6,148</u>	<u>5,208</u>	<u>4,883</u>
Business-type activities:										
Culinary water utility	\$ 1,694	\$ 1,656	\$ 1,510	\$ 1,297	\$ 1,316	\$ 3,332	\$ 3,044	\$ 2,986	\$ 2,484	\$ 2,276
Sewer utility	1,165	1,018	1,013	992	899	-	-	-	-	-
Garbage utility	1,192	1,141	1,148	1,072	1,071	-	-	-	-	-
Secondary water utility	1,384	1,298	1,158	1,085	1,140	1,109	846	1,130	824	759
Storm water utility	450	425	426	536	-	-	-	-	-	-
Total business-type activities expenses	<u>5,885</u>	<u>5,538</u>	<u>5,255</u>	<u>4,982</u>	<u>4,426</u>	<u>4,441</u>	<u>3,890</u>	<u>4,116</u>	<u>3,308</u>	<u>3,035</u>
Total primary government expenses	<u>\$ 16,630</u>	<u>\$ 15,675</u>	<u>\$ 15,291</u>	<u>\$ 14,270</u>	<u>\$ 16,231</u>	<u>\$ 14,741</u>	<u>\$ 11,594</u>	<u>\$ 10,264</u>	<u>\$ 8,516</u>	<u>\$ 7,918</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,782	\$ 1,540	\$ 1,397	\$ 809	\$ 808	\$ 730	\$ 1,291	\$ 466	\$ 440	\$ 430
Public safety	549	476	433	205	296	275	127	139	159	154
Public works	389	245	804	924	1,500	1,446	41	960	805	738
Parks and recreation	946	645	476	436	288	415	149	129	89	77
Operating grants and contributions	1,006	890	-	115	91	-	865	814	674	585
Capital grants and contributions	489	499	2,946	2,771	-	44	387	1,323	51	-
Total governmental activities program revenues	<u>5,161</u>	<u>4,295</u>	<u>6,056</u>	<u>5,260</u>	<u>2,983</u>	<u>2,910</u>	<u>2,860</u>	<u>3,831</u>	<u>2,218</u>	<u>1,984</u>
Business-type activities:										
Charges for services:										
Culinary water utility ²	\$ 1,896	\$ 1,717	\$ 1,528	\$ 1,549	\$ 1,343	\$ 3,030	\$ 3,315	\$ 2,993	\$ 2,750	\$ 2,339
Sewer utility ²	1,136	1,011	986	989	845	-	-	-	-	-
Garbage utility ²	1,256	1,225	1,170	1,137	1,113	-	-	-	-	-
Secondary water utility	1,646	1,490	1,331	1,335	1,292	1,090	997	755	580	518
Storm water utility ¹	576	434	286	284	-	-	-	-	-	-
Capital grants and contributions	773	233	2,547	2,337	165	100	-	180	-	-
Total business-type activities program revenues	<u>7,283</u>	<u>6,110</u>	<u>7,848</u>	<u>7,631</u>	<u>4,758</u>	<u>4,220</u>	<u>4,312</u>	<u>3,928</u>	<u>3,330</u>	<u>2,857</u>
Total primary government program revenues	<u>\$ 12,444</u>	<u>\$ 10,405</u>	<u>\$ 13,904</u>	<u>\$ 12,891</u>	<u>\$ 7,741</u>	<u>\$ 7,130</u>	<u>\$ 7,172</u>	<u>\$ 7,759</u>	<u>\$ 5,548</u>	<u>\$ 4,841</u>

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (expense)/revenue:										
Governmental activities	\$ (5,584)	\$ (5,842)	\$ (3,980)	\$ (4,028)	\$ (8,822)	\$ (7,390)	\$ (4,844)	\$ (2,317)	\$ (2,990)	\$ (2,899)
Business-type activities	1,398	572	2,593	2,649	332	(221)	422	(188)	22	(178)
Total primary government net expense	<u>\$ (4,186)</u>	<u>\$ (5,270)</u>	<u>\$ (1,387)</u>	<u>\$ (1,379)</u>	<u>\$ (8,490)</u>	<u>\$ (7,611)</u>	<u>\$ (4,422)</u>	<u>\$ (2,505)</u>	<u>\$ (2,968)</u>	<u>\$ (3,077)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 2,238	\$ 2,262	\$ 2,180	\$ 2,030	\$ 1,890	\$ 1,579	\$ 877	\$ 757	\$ 636	\$ 582
Sales taxes	2,953	2,820	2,551	2,429	2,543	2,655	2,299	1,805	1,366	1,208
Franchise taxes	1,338	1,267	1,229	1,209	1,165	1,107	956	941	746	457
Impact fees ³	-	-	227	482	232	262	1,877	3,112	1,677	1,801
Unrestricted investment earnings	36	33	11	10	143	440	484	299	117	68
Other revenues (uses) not restricted to specific program:	102	220	100	42	147	8,957	342	1,307	2,470	1,572
Transfers	187	187	186	190	336	1,343	193	-	-	-
Total governmental activities	<u>6,854</u>	<u>6,789</u>	<u>6,484</u>	<u>6,392</u>	<u>6,456</u>	<u>16,343</u>	<u>7,028</u>	<u>8,221</u>	<u>7,012</u>	<u>5,688</u>
Business-type activities:										
Impact fees ³	\$ -	\$ -	\$ 253	\$ 502	\$ 328	\$ 479	\$ 993	\$ 1,000	\$ 962	\$ 897
Unrestricted investment earnings	37	35	21	21	55	142	196	128	62	36
Other revenues (uses) not restricted to specific program:	10	19	21	-	-	6,406	1,660	2,535	3,066	1,274
Transfers	(187)	(187)	(186)	(190)	(336)	(1,343)	(193)	-	-	-
Total business-type activities	<u>(140)</u>	<u>(133)</u>	<u>109</u>	<u>333</u>	<u>47</u>	<u>5,684</u>	<u>2,656</u>	<u>3,663</u>	<u>4,090</u>	<u>2,207</u>
Total primary government	<u>\$ 6,714</u>	<u>\$ 6,656</u>	<u>\$ 6,593</u>	<u>\$ 6,725</u>	<u>\$ 6,503</u>	<u>\$ 22,027</u>	<u>\$ 9,684</u>	<u>\$ 11,884</u>	<u>\$ 11,102</u>	<u>\$ 7,895</u>
Change in Net Position										
Governmental activities	\$ 1,270	\$ 948	\$ 2,504	\$ 2,364	\$ (2,366)	\$ 8,953	\$ 2,184	\$ 5,904	\$ 4,022	\$ 2,789
Business-type activities	1,258	439	2,702	2,982	379	5,463	3,078	3,475	4,112	2,029
Total primary government	<u>\$ 2,528</u>	<u>\$ 1,387</u>	<u>\$ 5,206</u>	<u>\$ 5,346</u>	<u>\$ (1,987)</u>	<u>\$ 14,416</u>	<u>\$ 5,262</u>	<u>\$ 9,379</u>	<u>\$ 8,134</u>	<u>\$ 4,818</u>

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Government Activities - Public Works.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	\$ 6,529	\$ 6,349	\$ 5,983	\$ 5,693	\$ 5,622	\$ 5,340	\$ 4,132	\$ 3,258	\$ 2,493	\$ 1,932
Licenses and permits	534	350	245	322	358	345	820	914	749	709
Impact fees	745	338	227	482	620	852	1,877	3,111	1,677	1,801
Intergovernmental	1,081	1,087	846	937	979	1,135	1,232	2,140	730	610
Administrative Fees ¹	600	506	579	-	-	-	-	-	-	-
Charges for services	1,356	1,082	996	907	954	603	580	582	560	481
Fines and forfeitures	282	343	331	295	262	219	209	198	179	184
Investment earnings	36	33	12	8	143	440	484	299	117	67
Management Fee ²	59	107	63	-	-	-	-	-	-	-
Miscellaneous	213	136	162	227	192	137	115	146	94	188
Total revenues	<u>11,435</u>	<u>10,331</u>	<u>9,444</u>	<u>8,871</u>	<u>9,130</u>	<u>9,071</u>	<u>9,449</u>	<u>10,648</u>	<u>6,599</u>	<u>5,972</u>
Expenditures										
General government ²	2,458	2,199	1,836	1,183	1,582	1,529	1,588	852	899	955
Public safety	3,817	3,449	3,370	3,222	3,304	3,187	2,568	2,051	1,666	1,419
Public works	2,171	533	1,283	1,253	1,615	2,257	804	883	710	627
Parks and recreation	1,050	932	1,026	956	924	916	1,054	583	457	448
Capital outlay	236	1,352	124	405	6,521	9,043	6,886	7,810	3,359	739
Other	-	-	-	-	-	39	43	67	-	-
Debt service:										
Principal retirement	1,010	813	681	778	700	774	364	440	321	311
Interest and fiscal charges	578	660	684	706	777	114	124	143	77	93
Total expenditures	<u>\$ 11,320</u>	<u>\$ 9,938</u>	<u>\$ 9,004</u>	<u>\$ 8,503</u>	<u>\$ 15,423</u>	<u>\$ 17,859</u>	<u>\$ 13,431</u>	<u>\$ 12,829</u>	<u>\$ 7,489</u>	<u>\$ 4,592</u>

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Excess of revenues over (under) expenditures	\$ 115	\$ 393	\$ 440	\$ 368	\$ (6,293)	\$ (8,788)	\$ (3,982)	\$ (2,181)	\$ (890)	\$ 1,380
Other financing sources (uses)										
Proceeds from borrowings	-	6,770	-	-	-	5,924	9,576	1,000	2,100	-
Payment to ref. bonds escrow agt	-	(5,572)	-	-	-	-	-	-	-	-
Sale of Capital Assets	14	156	-	-	-	-	-	-	-	-
Transfers in	187	187	201	414	1,258	1,117	258	362	49	-
Transfers out	-	-	(322)	(340)	(1,062)	(959)	(65)	(206)	(49)	-
Total other financing sources (uses)	201	1,541	(121)	74	196	6,082	9,769	1,156	2,100	-
Net change in fund balances	<u>\$ 316</u>	<u>\$ 1,934</u>	<u>\$ 319</u>	<u>\$ 442</u>	<u>\$ (6,097)</u>	<u>\$ (2,706)</u>	<u>\$ 5,787</u>	<u>\$ (1,025)</u>	<u>\$ 1,210</u>	<u>\$ 1,380</u>
Debt service as a percentage of noncapital expenditures	14.3%	17.2%	15.4%	18.3%	16.6%	10.1%	7.5%	11.6%	9.6%	10.5%

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 2011, a management fee was charged to the redevelopment fund. The expenditure is included in general government.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund:										
Nonspendable	\$ 112	\$ 644	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,608	1,080	383	-	-	-	-	-	-	-
Committed	66	93	71	-	-	-	-	-	-	-
Unassigned	1,716	1,324	1,000	-	-	-	-	-	-	-
Total general fund	\$ 3,502	\$ 3,141	\$ 1,471	\$ -						

All other governmental funds:										
Restricted	\$ 690	\$ 691	\$ 428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	8	8	10	-	-	-	-	-	-	-
Assigned	149	193	190	-	-	-	-	-	-	-
Total all other governmental funds	\$ 847	\$ 892	\$ 628	\$ -						

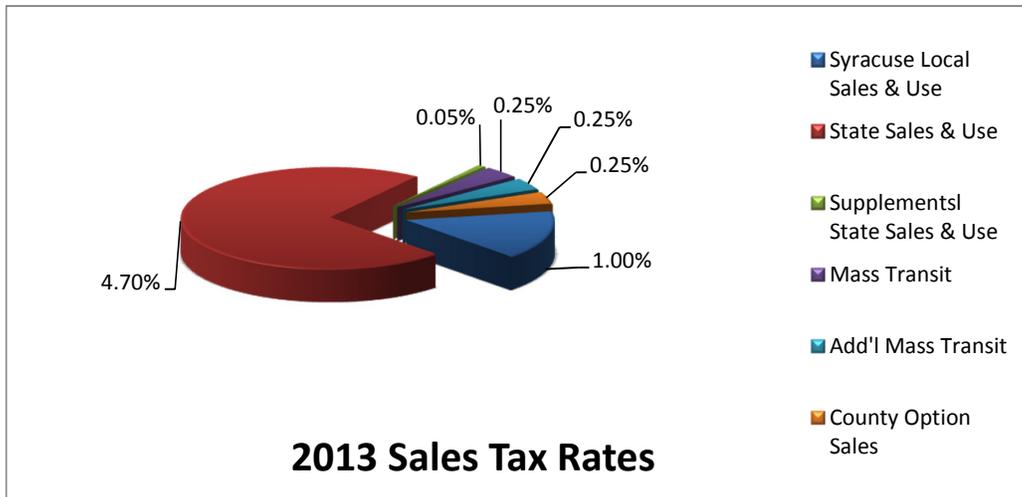
	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ 474	\$ 259	\$ 1,046	\$ 2,740	\$ 2,308	\$ 2,819	\$ 2,606
Designated, unreserved	-	-	-	48	24	-	-	-	-	-
Unreserved	-	-	-	625	285	430	797	1,323	594	189
Total general fund	\$ -	\$ -	\$ -	\$ 1,147	\$ 568	\$ 1,476	\$ 3,537	\$ 3,631	\$ 3,413	\$ 2,795

All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ 254	\$ 608	\$ 5,629	\$ 6,874	\$ 66	\$ 1,114	\$ 1,025
Designated, unreserved reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	(15)	206	-	-	-	1	-
Debt service funds	-	-	-	-	-	-	-	-	51	-
Capital projects funds	-	-	-	394	494	868	268	1,196	1,338	887
Total all other governmental funds	\$ -	\$ -	\$ -	\$ 633	\$ 1,308	\$ 6,497	\$ 7,142	\$ 1,262	\$ 2,504	\$ 1,912

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 CORPORATION
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
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%
2005	1.00%	4.75%	-	0.50%	-	0.25%	6.50%
2004	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 CORPORATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property	Total Taxable Assessed Value	Total Direct City Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Actual Value
	Real Estate	Building	Mobile Homes	Other					
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
2005	135,244	346,820	2	11,406	10,151	503,623	1.043	n/a	n/a
2004	127,846	297,069	2	10,999	9,979	445,895	1.047	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 seven years.

Total property value is excluding fee-in-lieu.

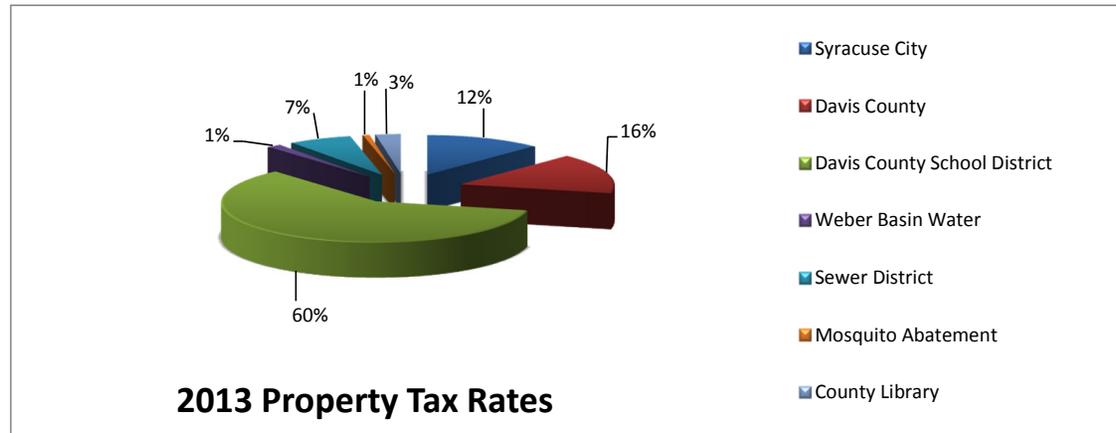
Sources:

Utah State Tax Commission - Property Tax Division website

Davis County

SYRACUSE CITY CORPORATION
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
2013	1.832	2.427	8.941	0.215	0.993	0.105	0.396	14.909
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
2005	1.043	1.948	7.821	0.198	0.763	0.093	0.432	12.298
2004	1.047	1.954	7.731	0.196	0.763	0.094	0.434	12.219



Notes:

¹ The direct Syracuse City property tax rate is used solely 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 CORPORATION
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Four Years Ago
(Amounts Expressed in Thousands)

Taxpayer	Type of Business	2013			2009		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart	Retail	\$ 19,830	1	2.04%	\$ 15,339	1	1.44%
Antelope LC	Medical	8,653	2	0.89%	6,799	3	0.64%
Pacificorp	Utility	8,562	3	0.88%	13,734	2	1.29%
Boyer Syracuse Associates	Retail properties	6,105	4	0.63%	6,769	4	0.64%
Gailey Tree LLC	Business properties	5,441	5	0.56%	n/a	n/a	n/a
Shadowpoint LLC	Retail properties	4,734	6	0.49%	4,714	6	0.44%
Questar Gas	Utility	4,110	7	0.42%	3,301	8	0.31%
RC Willey	Retail	3,945	8	0.41%	2,701	10	0.25%
Syracuse Stadium Cinemas LLC	Business properties	3,664	9	0.38%	n/a	n/a	n/a
Utah Onions Inc.	Agriculture	3,482	10	0.36%	n/a	n/a	n/a
Total taxable value of 10 largest taxpayers		68,526		7.06%	53,357		5.02%
Total taxable value of other taxpayers		902,605		92.94%	1,009,970		94.98%
Total taxable value of all taxpayers		\$ 971,131		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 CORPORATION
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
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%
2005	525,279	503,363	95.83%	22,087	525,450	100.03%
2004	466,852	441,469	94.56%	38,512	479,981	102.81%

Source:

Davis County Treasurer's office

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

Year	Real Property Taxable Value ¹				Residential Construction ²		Commercial Construction ²		Other Construction ²	
	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value
2013	\$ 787,373	\$ 107,187	\$ 38,019	\$ 932,579	162	\$ 37,652	5	\$ 192	186	\$ 2,152
2012	781,365	102,217	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
2005	1,748	475,575	4,741	482,064	484	82,544	6	156	216	2,260
2004	31,261	389,017	4,637	424,915	626	76,151	6	5,048	194	1,732

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 CORPORATION
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Lease	MBA Revenue Bonds	Sales Tax Revenue Bonds	Special Assessment Bonds	Excise Tax Road Bonds	Capital Improvement Loan	Property Note	Capital Lease	Water Revenue Notes			
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%	626.80
2010	-	14,457,000	1,515,000	-	-	-	-	-	339,000	16,311,000	5.90%	670.38
2009	-	14,999,000	1,640,000	111,000	-	-	-	-	452,000	17,202,000	6.14%	763.14
2008	-	15,304,000	1,760,000	216,000	170,000	-	-	-	565,000	18,015,000	6.78%	817.01
2007	-	9,350,000	1,875,000	315,000	330,000	1,000,000	-	-	678,000	13,548,000	5.55%	642.97
2006	-	-	1,990,000	409,000	485,000	1,000,000	-	138,148	791,000	4,813,148	2.17%	246.90
2005	-	-	2,100,000	497,000	635,000	-	92,000	270,727	904,000	4,498,727	2.21%	252.10
2004	-	-	-	581,000	780,000	-	184,000	397,963	1,017,000	2,959,963	1.54%	181.48

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 CORPORATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2013

<u>Governmental Unit</u>	<u>General Bonded Debt Outstanding</u>	<u>Est. Percentage Applicable to Syracuse City</u>	<u>Estimated Share of Overlapping Debt</u>
North Davis County Sewer District ¹	\$ 30,150,000	11.80%	\$ 3,557,379
State of Utah ²	3,225,435,000	0.51%	16,339,696
Weber Basin Water Conservancy District ¹	23,888,492	2.60%	622,140
Davis County ²	20,555,240	6.15%	1,263,250
Davis County School District ²	419,175,000	6.15%	25,760,975
Overlapping debt			\$ 47,543,440
Syracuse City bonded debt		100.00%	14,910,726
Total direct and overlapping general bonded obligation debt			\$ 62,454,166

Note:

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

Sources:

¹ Individual governmental unit

² Davis County CAFR 2012

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 38,844	\$ 38,626	\$ 42,078	\$ 40,769	\$ 42,533	\$ 34,289	\$ 27,955	\$ 23,012	\$ 20,145	\$ 17,836
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 38,844</u>	<u>\$ 38,626</u>	<u>\$ 42,078</u>	<u>\$ 40,769</u>	<u>\$ 42,533</u>	<u>\$ 34,289</u>	<u>\$ 27,955</u>	<u>\$ 23,012</u>	<u>\$ 20,145</u>	<u>\$ 17,836</u>
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						<u>\$ 971,104</u>				
Debt limit (4% of total assessed value)						\$ 38,844				
Debt applicable to limit:										
Total bonded debt					\$ 14,057					
Less:										
Special assessment bonds					-					
Revenue bonds					(14,057)					
Amounts available for repayment of general obligation bonds					-					
Other deductions allowed by law					-					
Total net debt applicable to limit					<u>-</u>					
Legal debt margin						<u>\$ 38,844</u>				

SYRACUSE CITY CORPORATION
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
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
2004	16,310	203,607,585	12,484	4.7%	60,614
2003	14,336	191,901,589	13,386	5.1%	60,025

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 CORPORATION
PRINCIPAL EMPLOYERS
Prior Year and Ten Years Ago

Employer	Type of Business	Fiscal Year			
		2012		2013	
		Employees	Rank	Employees	Rank
Hill Air Force Base	United States Air Force / Logis	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
Wal-Mart	Retail	1,000 - 1,999	4	250 - 499	n/a
Lifetime Products	Manufacturing / Retail	1,000 - 1,999	5	1,000 - 2,000	3
Lagoon, Inc	Amusement Park	1,000 - 1,999	6	700 - 1,000	6
Davis County	County Government	1,000 - 1,999	7	700 - 1,000	5
Smith's Marketplace Dist.	Retail	1,000 - 1,999	8	700 - 1,000	4
Utility Trailer	Manufacturing	500 - 999	9	500 - 700	7
Davis Hospital	Medical	500 - 999	10	500 - 999	n/a
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 2012

SYRACUSE CITY CORPORATION
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last 4 Fiscal Years

Function	Full-time Employees as of June 30			
	2013	2012	2011	2010
General government	18	17	17	17
Public safety				
Firefighters	12	11	11	11
Police				
Officers	18	19	19	18
Civilians	2	2	2	2
Public works	13	14	13	12
Parks and recreation	6	6	7	8
Total	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 CORPORATION
OPERATING INDICATORS BY FUNCTION
Last 4 Fiscal Years

Function	Fiscal Year			
	2013	2012	2011	2010
Police				
Total incidents	7,628	7,821	7,698	6,641
Citations written	2,023	1,871	2,614	2,105
Total violations included on citations	2,780	2,781	3,335	2,756
Theft incidents	332	621	465	364
Assault incidents	151	418	351	215
Fire				
Number of calls dispatched	743	817	850	764
Streets				
Street sweeping:				
Miles	784	705	627	1,919
Hours	257	213	211	509
Water				
Service connections	6863	6,683	6,608	6,534
Average daily consumption (gallons)	1,705,000	1,603,580	1,634,638	1,402,504
Recreation				
Community center memberships	1,929	1,328	1,261	852
Sports programs participants	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.

Sources:

Various City departmental data

SYRACUSE CITY CORPORATION
CAPITAL STATISTICS BY FUNCTION
Last 4 Fiscal Years

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

Notes:

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.

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

Sources:

Various City departmental data

**INDEPENDENT AUDITOR'S REPORTS ON
COMPLIANCE AND INTERNAL CONTROL**

**INDEPENDENT AUDITORS' 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**

To the Mayor and Council
Syracuse City

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, the aggregate remaining fund information, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the general fund and major special revenue funds of Syracuse City as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Syracuse City's basic financial statements, and have issued our report thereon dated November 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Syracuse 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 Syracuse 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 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 Syracuse City's financial statements are free of 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*.

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.

Wood Richards & Associates, PC

Ogden, UT
November 5, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE
WITH THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE**

To the Mayor and Council and Management
of Syracuse City

REPORT ON COMPLIANCE

We have audited Syracuse City's compliance with the general and major state program compliance requirements described in the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2013.

The general compliance requirements applicable to Syracuse City are identified as follows:

Cash Management	Utah Retirement Systems Compliance
Budgetary Compliance	Transfers from Utility Enterprise Funds
Fund Balance	Government Records Access Management Act
Justice Courts	Conflicts of Interest
Impact Fees	Nepotism

Syracuse City received the following major assistance programs from the State of Utah during the year ended June 30, 2013.

Class C Road Funds

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Syracuse City's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Syracuse City's compliance based on our audit.

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 of Utah Legal Compliance Audit Guide. Those standards and the State of Utah Legal 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 material effect on Syracuse City and its major programs occurred. An audit includes examining, on a test basis, evidence about Syracuse 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. Our audit does not provide a legal determination of Syracuse City's compliance with those requirements.

Opinion

In our opinion, Syracuse City, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State of Utah Legal Compliance Audit Guide and which is described in the accompanying schedule of findings and recommendations as item 2013-1.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Syracuse 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, we considered Syracuse City's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, 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 Syracuse 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 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Syracuse City's Response to Findings

The City's responses to the findings identified in our audit are 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.

Purpose of 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.

Wood Richards & Associates, PC

Ogden, Utah

November 5, 2013

**SYRACUSE CITY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Finding #2013-01 – State Compliance – Transfers from Utility Enterprise Funds

Finding: The State Legal Compliance Audit Guide requires departments of municipalities to pay for utility services at the same rate charged to other customers of the utility. If the entity has not charged its departments for utility services, the City should notify the rate payers and hold a public hearing in compliance with Utah Code. In other words, not charging the government's departments for utility services is a non-cash transfer to another fund and is subject to notice and hearing requirements in order to be allowable. This may be accomplished through the regular budget hearings.

Recommendation: We recommend the City either charge the departments for the utilities or follow the public hearing requirements for the budget to inform the rate payers of the non-cash transfer that will take place by not paying those charges.

Response: The City has already determined the charges that should be allocated to the departments and plans to take the necessary action for public hearings in order to be compliant with this requirement.