

**GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT
CORPORATION**

**(A Blended Component Unit of the County of Onondaga,
New York)**

**Financial Statements as of
December 31, 2022 and 2021
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis (Unaudited) | 4 |
| Financial Statements: | |
| Statements of Net Position - December 31, 2022 and 2021 | 8 |
| Statements of Revenues, Expenses, and Change in Net Position - For the Years Ended December 31, 2022 and 2021 | 9 |
| Statements of Cash Flows - For the Years Ended December 31, 2022 and 2021 | 10 |
| Notes to Basic Financial Statements | 11 |
| INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 17 |

INDEPENDENT AUDITOR'S REPORT

March 8, 2023

To the Board of Directors of
Greater Syracuse Soundstage Development Corporation:

Opinions

We have audited the accompanying financial statements of the Greater Syracuse Soundstage Development Corporation (the Corporation), a blended component unit of the County of Onondaga, New York (the County), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and the respective change in its financial position and its cashflows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

This section of the Greater Syracuse Soundstage Development Corporation (the Corporation) annual financial report presents discussion and analysis of the Corporation's financial performance during the fiscal year ending December 31, 2022. Please read it in conjunction with the Corporation's financial statements and accompanying notes.

GENERAL INFORMATION

The Greater Syracuse Soundstage Development Corporation is registered under nonprofit corporation law. The purposes for which the Corporation operates are exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, to advance the film industry in the Central New York Region.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: this section, the Management's Discussion and Analysis (MD&A) and the basic financial statements. The Corporation is a self-supporting entity and follows business-type activity reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Business-type activity statements offer short-term and long-term financial information about the activities and operations of the Corporation. This annual report consists of the financial statements and notes to those statements. The Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, the Statement of Cash Flows and related notes provide a detailed look at the specific financial activities of the Corporation and generally provide an indication of the Company's financial health. The Statement of Net Position includes all of the Corporation's assets and liabilities, using the accrual basis of accounting. The Statement of Revenues, Expenses and Change in Net Position report includes all of the revenues and expenses during the time period indicated. The Statement of Cash Flows reports the cash provided and used by operating activities.

FINANCIAL HIGHLIGHTS

- The Corporation's total net position at December 31, 2022 is \$8,092,934, at December 31, 2021 is \$8,164,884, and at December 31, 2020 is \$8,516,279.
- Total current assets at December 31, 2022 are \$387,197, at December 31, 2021 are \$84,081, and at December 31, 2020 are \$126,979. Current assets are primarily comprised of cash and accounts receivable.
- Total current liabilities at December 31, 2022 are \$525,428, at December 31, 2021 are \$385,146, and at December 31, 2020 are \$369,263.
- Operating revenues in 2022, 2021 and 2020 consist of rental revenue. Operating revenues in 2022 and 2020 also included grant revenue.
- Operating expenses for the year ended December 31, 2022 were approximately \$330,390, For the year ended December 31, 2021 were approximately \$439,107, and for the year ended December 31, 2020 were approximately \$438,189.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

Below is an analysis of the assets, liabilities, revenues and expenses of the Corporation.

Summary of Assets, Liabilities, and Net Position

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|----------------------------------|---------------------|---------------------|---------------------|
| Current Assets | \$ 387,197 | \$ 84,081 | \$ 126,979 |
| Noncurrent Assets | <u>8,231,165</u> | <u>8,465,949</u> | <u>8,758,563</u> |
| Total Assets | <u>8,618,362</u> | <u>8,550,030</u> | <u>8,885,542</u> |
| | | | |
| Current Liabilities | <u>525,428</u> | <u>385,146</u> | <u>369,263</u> |
| | | | |
| Total Net Position: | | | |
| Net investment in capital assets | 7,865,305 | 8,100,089 | 8,392,703 |
| Unrestricted | <u>227,629</u> | <u>64,795</u> | <u>123,576</u> |
| | <u>\$ 8,092,934</u> | <u>\$ 8,164,884</u> | <u>\$ 8,516,279</u> |

CURRENT ASSETS

Current assets are primarily comprised of cash and accounts receivable.

NONCURRENT ASSETS

Noncurrent assets are comprised of capital assets.

CURRENT LIABILITIES

Current liabilities consist of accounts payable, accrued expenses, a security deposit payable, and a loan payable. Although current liabilities continue to exceed current assets, management has sufficient cashflow to finance operations through 2023.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

Summary of Revenues, Expenses, and Change in Net Position

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|---------------------|
| OPERATING REVENUES: | | | |
| Grant revenue - Empire State Development Corporation | \$ 200,000 | \$ - | \$ 1,125,000 |
| Rental revenue | 76,443 | 98,612 | 105,403 |
| Discounts received | - | - | 3 |
| | <u>-</u> | <u>-</u> | <u>3</u> |
| Total operating revenues | <u>276,443</u> | <u>98,612</u> | <u>1,230,406</u> |
| OPERATING EXPENSES: | | | |
| Professional services | 11,267 | 18,888 | 73,763 |
| Office supplies & software | 7,562 | 22,914 | 36,407 |
| Repairs & maintenance | 18,924 | 28,922 | 54,445 |
| Utilities | 24,686 | 39,507 | 28,945 |
| Insurance | 25,438 | 23,640 | 18,436 |
| Telephone & internet | 4,403 | 4,739 | 4,020 |
| Equipment rental | - | - | 1,470 |
| Soundstage management services | - | - | 5,712 |
| Other business expense | 3,326 | 3,505 | 3,005 |
| Other expense | - | - | 3,871 |
| Depreciation | 234,784 | 292,614 | 193,814 |
| Architectural and engineering expense | - | - | 11,153 |
| Property tax expense | - | 4,378 | 3,148 |
| | <u>-</u> | <u>4,378</u> | <u>3,148</u> |
| Total operating expenses | <u>330,390</u> | <u>439,107</u> | <u>438,189</u> |
| OPERATING INCOME (LOSS) | <u>(53,947)</u> | <u>(340,495)</u> | <u>792,217</u> |
| NON-OPERATING EXPENSE | <u>18,003</u> | <u>10,900</u> | <u>34,638</u> |
| CHANGE IN NET POSITION | <u>(71,950)</u> | <u>(351,395)</u> | <u>757,579</u> |
| NET POSITION - beginning of year | <u>8,164,884</u> | <u>8,516,279</u> | <u>7,758,700</u> |
| NET POSITION - end of year | <u>\$ 8,092,934</u> | <u>\$ 8,164,884</u> | <u>\$ 8,516,279</u> |

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

OPERATING REVENUES

Operating revenue consists of rental revenue in 2022, 2021 and in 2020. Operating revenue also included grant revenue in 2022 and 2020. Management does not expect to recognize the remaining \$175,000 on the Empire State Development Corporation Grant in 2023.

OPERATING EXPENSES

Operating expenses are comprised of grant expense, utilities, office supplies and software, insurance, and professional services, and other administrative costs.

OPERATING RESULTS

The Corporation had an operating loss of \$53,947 for the year ended December 31, 2022, an operating loss of \$340,495 for the year ended December 31, 2021, and operating income of \$792,217 for the year ended December 31, 2020.

REQUEST FOR INFORMATION

This financial report is designed to provide the reader with a general overview of the Corporation's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Greater Syracuse Soundstage Development Corporation – 24 Aspen Park Boulevard, East Syracuse, NY 13057.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Statements of Net Position
December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 375,201 | \$ 82,081 |
| Accounts receivable | 10,000 | - |
| Other asset | <u>1,996</u> | <u>2,000</u> |
| Total current assets | <u>387,197</u> | <u>84,081</u> |
| NONCURRENT ASSETS: | | |
| Nondepreciable capital assets | 1,184,000 | 1,184,000 |
| Depreciable capital assets, net | <u>7,047,165</u> | <u>7,281,949</u> |
| Total noncurrent assets | <u>8,231,165</u> | <u>8,465,949</u> |
| Total assets | <u>8,618,362</u> | <u>8,550,030</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | - | 4,983 |
| Accrued interest expense | 9,568 | 14,303 |
| Security deposit payable | 150,000 | - |
| Loan payable | <u>365,860</u> | <u>365,860</u> |
| Total current liabilities | <u>525,428</u> | <u>385,146</u> |
| Total liabilities | <u>525,428</u> | <u>385,146</u> |
| NET POSITION | | |
| Net investment in capital assets | 7,865,305 | 8,100,089 |
| Unrestricted | <u>227,629</u> | <u>64,795</u> |
| Total net position | <u>\$ 8,092,934</u> | <u>\$ 8,164,884</u> |

The accompanying notes are an integral part of these financial statements.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Statements of Revenues, Expenses and Change in Net Position
For the years ended December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| OPERATING REVENUES: | | |
| Grant revenue - Empire State Development Corporation | \$ 200,000 | \$ - |
| Rental revenue | <u>76,443</u> | <u>98,612</u> |
| Total operating revenues | <u>276,443</u> | <u>98,612</u> |
| OPERATING EXPENSES: | | |
| Professional services | 11,267 | 18,888 |
| Office supplies & software | 7,562 | 22,914 |
| Repairs & maintenance | 18,924 | 28,922 |
| Utilities | 24,686 | 39,507 |
| Insurance | 25,438 | 23,640 |
| Telephone & internet | 4,403 | 4,739 |
| Other business expense | 3,326 | 3,505 |
| Depreciation | 234,784 | 292,614 |
| Property tax expense | <u>-</u> | <u>4,378</u> |
| Total operating expenses | <u>330,390</u> | <u>439,107</u> |
| OPERATING INCOME/(LOSS) | <u>(53,947)</u> | <u>(340,495)</u> |
| NON-OPERATING EXPENSES: | | |
| Interest expense | <u>18,003</u> | <u>10,900</u> |
| Total nonoperating expenses | <u>18,003</u> | <u>10,900</u> |
| CHANGE IN NET POSITION | (71,950) | (351,395) |
| NET POSITION - beginning of year | <u>8,164,884</u> | <u>8,516,279</u> |
| NET POSITION - end of year | <u><u>\$ 8,092,934</u></u> | <u><u>\$ 8,164,884</u></u> |

The accompanying notes are an integral part of these financial statements.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from grant revenue | \$ 200,000 | \$ - |
| Cash received from rental revenue | 66,443 | 100,112 |
| Cash received from security deposits | 150,000 | - |
| Cash paid for professional services | (11,267) | (18,888) |
| Cash paid for supplies and general operations | <u>(89,318)</u> | <u>(122,622)</u> |
| Net cash from operating activities | <u>315,858</u> | <u>(41,398)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Cash paid for interest | <u>(22,738)</u> | <u>-</u> |
| Net cash from capital and related financing activities | <u>(22,738)</u> | <u>-</u> |
| Change in cash | 293,120 | (41,398) |
| CASH - beginning of year | <u>82,081</u> | <u>123,479</u> |
| CASH - end of year | <u>\$ 375,201</u> | <u>\$ 82,081</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Operating income (loss) | \$ (53,947) | \$ (340,495) |
| Adjustments to reconcile operating income (loss) to net cash flow from operating activities: | | |
| Depreciation | 234,784 | 292,614 |
| Changes in: | | |
| Other assets | 4 | - |
| Accounts receivable | (10,000) | 1,500 |
| Security deposit payable | 150,000 | - |
| Accounts payable | <u>(4,983)</u> | <u>4,983</u> |
| Net cash from operating activities | <u>\$ 315,858</u> | <u>\$ (41,398)</u> |

The accompanying notes are an integral part of these financial statements.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Notes to Basic Financial Statements
December 31, 2022 and 2021

1. ORGANIZATION

The Greater Syracuse Soundstage Development Corporation (the Corporation), a blended component unit of the County of Onondaga, New York (the County, or Primary Government), is a local development corporation, registered under nonprofit law Section 501(c)(3) of the Internal Revenue Code. The Corporation was formed in 2018 for charitable purposes with a mission to advance the film industry in the Central New York Region.

In accordance with the Governmental Accounting Standards Board (GASB) pronouncements, the Corporation is considered a blended component unit of the County based upon the fact that the County is the sole member of the Corporation, per the Corporation's bylaws.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the GASB, which is the primary standard-setting body for establishing governmental accounting and financial principles.

Measurement Focus and Basis of Accounting

The Corporation operates as a proprietary fund. Proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

The Corporation utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or an economic asset is used.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Tax Status

The Corporation was organized as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Notes to Basic Financial Statements
December 31, 2022 and 2021

Capital Assets

Capital assets include land, building and building improvements, furniture and equipment. Capital assets are defined by the Corporation as assets with an initial individual cost of more than \$5,000 and having an estimated useful life in excess of two years. Assets will be depreciated using the straight-line method. Building and building improvements will be assigned an estimated useful life of 39 years, while all other assets will have an estimated useful life of 10 years.

Grant Revenue

The Corporation holds an agreement with New York State Empire State Development (NYS ESD) to receive grant funding in the amount of \$1,700,000 as part of an upstate revitalization initiative of which \$200,000 is to be used for working capital expenses (such as general and administrative), and \$1,500,000 is to be used for capital expenses (such as purchases of property, equipment, and construction services). In 2019, the Corporation entered into a line of credit with M&T Bank which allows the Corporation to borrow up to the remaining amount that the Corporation expects to receive from the grant.

The Corporation earned \$200,000 of grant revenue in 2022 from NYS ESD as part of the capital grant agreement. To date, the Corporation has recorded \$1,325,000 of revenue from the capital grant and \$200,000 from the Working Capital grant.

Operating and Non-Operating Revenues and Expenses

As a business-type activity, the Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues are comprised of grants and rental revenues. Operating expenses generally result from the general and administrative expenses in accordance with the Corporation's mission and repairs and maintenance. Non-operating expenses consist of interest expense.

Revenue Recognition

Rental revenue is recognized when earned. In the case of grant revenue, the revenue is considered earned when the Corporation meets all requirements the Corporation is to fulfill for the purpose of those funds in accordance with the grant agreement.

Net Position

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

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation did not have restricted net position at December 31, 2022 and 2021.
- c. Unrestricted net position - all other net position that does not meet the definition of net investment in capital assets or restricted net position.

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

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Notes to Basic Financial Statements
December 31, 2022 and 2021

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Corporation follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of those charged with governance.

Monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State (NYS).

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Corporation has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Corporation's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations.

Custodial Credit Risk

Custodial credit risk related to cash deposits is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. The Corporation had bank balances of \$378,742 at December 31, 2022 of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2022, the remaining bank balance of \$128,742 was uncollateralized.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Notes to Basic Financial Statements
December 31, 2022 and 2021

4. CAPITAL ASSETS

The Corporation's capital assets activity for the year ended December 31, 2022 was as follows:

| | Balance at January 1 | Additions | Deletions | Balance at December 31 |
|--------------------------------|-------------------------|---------------------|-------------|---------------------------|
| Nondepreciable Assets: | | | | |
| Land | \$ 1,184,000 | \$ - | \$ - | \$ 1,184,000 |
| Total Nondepreciable Assets | <u>1,184,000</u> | <u>-</u> | <u>-</u> | <u>1,184,000</u> |
| Depreciable Assets: | | | | |
| Building | 6,816,000 | - | - | 6,816,000 |
| Building improvements | 875,680 | - | - | 875,680 |
| Furniture | 115,421 | - | - | 115,421 |
| Soundstage lighting equipment | 111,038 | - | - | 111,038 |
| Other equipment | 32,184 | - | - | 32,184 |
| Vehicles | <u>105,902</u> | <u>-</u> | <u>-</u> | <u>105,902</u> |
| Total Depreciable Assets | <u>8,056,225</u> | <u>-</u> | <u>-</u> | <u>8,056,225</u> |
| Accumulated Depreciation: | | | | |
| Building | (611,692) | (174,769) | - | (786,461) |
| Building improvements | (49,710) | (22,469) | - | (72,179) |
| Furniture | (34,071) | (12,310) | - | (46,381) |
| Soundstage lighting equipment | (18,204) | (5,772) | - | (23,976) |
| Other equipment | (27,897) | (8,874) | - | (36,771) |
| Vehicles | <u>(32,702)</u> | <u>(10,590)</u> | <u>-</u> | <u>(43,292)</u> |
| Total Accumulated Depreciation | <u>(774,276)</u> | <u>(234,784)</u> | <u>-</u> | <u>(1,009,060)</u> |
| Capital assets, net | <u>\$ 8,465,949</u> | <u>\$ (234,784)</u> | <u>\$ -</u> | <u>\$ 8,231,165</u> |

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Notes to Basic Financial Statements
December 31, 2022 and 2021

The Corporation's capital assets activity for the year ended December 31, 2021 was as follows:

| | Balance at January 1 | Additions | Deletions | Balance at December 31 |
|--------------------------------|-------------------------|--------------|-----------|---------------------------|
| Nondepreciable Assets: | | | | |
| Land | \$ 1,184,000 | \$ - | \$ - | \$ 1,184,000 |
| Total Nondepreciable Assets | 1,184,000 | - | - | 1,184,000 |
| Depreciable Assets: | | | | |
| Building | 6,816,000 | - | - | 6,816,000 |
| Building improvements | 875,680 | - | - | 875,680 |
| Furniture | 115,421 | - | - | 115,421 |
| Soundstage lighting equipment | 111,038 | - | - | 111,038 |
| Other equipment | 32,184 | - | - | 32,184 |
| Vehicles | 105,902 | - | - | 105,902 |
| Total Depreciable Assets | 8,056,225 | - | - | 8,056,225 |
| Accumulated Depreciation: | | | | |
| Building | (436,923) | (174,769) | - | (611,692) |
| Building improvements | (784) | (48,926) | - | (49,710) |
| Furniture | (11,497) | (22,574) | - | (34,071) |
| Soundstage lighting equipment | (1,777) | (16,427) | - | (18,204) |
| Other equipment | (18,569) | (9,328) | - | (27,897) |
| Vehicles | (12,112) | (20,590) | - | (32,702) |
| Total Accumulated Depreciation | (481,662) | (292,614) | - | (774,276) |
| Capital assets, net | \$ 8,758,563 | \$ (292,614) | \$ - | \$ 8,465,949 |

5. LOAN PAYABLE

In 2019, the Corporation obtained a line of credit up to the remaining amount anticipated to be received from the New York State Empire State Development Grant of \$1,600,000. The Corporation has subsequently entered into a forbearance agreement. The remaining outstanding balance is set to mature December 1, 2023 and interest is payable monthly at a variable rate of the prime rate plus one percent.

The Corporation incurred \$18,003 and \$10,900 of interest expense related to this borrowing for the year ended December 31, 2022 and 2021, respectively.

GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT CORPORATION
(A Blended Component Unit of the County of Onondaga, New York)

Notes to Basic Financial Statements
December 31, 2022 and 2021

Activity for the year ended December 31, 2022 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| Direct Borrowing - Line of Credit: | \$ 365,860 | \$ - | \$ - | \$ 365,860 | \$ 365,860 |

Activity for the year ended December 31, 2021 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| Direct Borrowing - Line of Credit: | \$ 365,860 | \$ - | \$ - | \$ 365,860 | \$ 365,860 |

6. LEASE ARRANGEMENT

In March 2022, the Corporation entered into an agreement to lease its property. The agreement is a three-month rolling lease, that automatically renews unless written notice is given by either party. This is considered a short-term lease.

Under the agreement, the Corporation receives \$5,000 monthly. The tenant will inherit all existing rental arrangements and is responsible for all utilities, repairs, and operating costs of the property.

Also as part of the arrangement, the Corporation received a \$150,000 security deposit reported as a liability in the Statement of Net Position.

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

March 8, 2023

To the Board of Directors of
Greater Syracuse Soundstage Development Corporation:

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 Greater Syracuse Soundstage Development Corporation (the Corporation), a blended component unit of the County of Onondaga, New York (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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.