

**GREATER SYRACUSE SOUNDSTAGE DEVELOPMENT
CORPORATION**

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

**Financial Statements as of
December 31, 2020 and 2019
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)

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INDEPENDENT AUDITOR'S REPORT

March 24, 2021

To the Board of Directors of
Greater Syracuse Soundstage Development Corporation

Report on the Financial Statements

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), which comprise the statement of net position for the years ended December 31, 2020 and 2019, and the related statements of revenues, expenses, and change in net position, cashflows, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2020 and 2019, 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.

Other Matters

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021 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, 2020 and 2019

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, 2020. 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, 2020 is \$8,516,279, at December 31, 2019 is \$7,758,700, and at December 31, 2018 is \$7,983,402.
- Total current assets at December 31, 2020 are \$126,979, at December 31, 2019 are \$264,381, and at December 31, 2018 are \$31,732. Current assets are primarily comprised of cash and accounts receivable.
- Total current liabilities at December 31, 2020 are \$369,263, at December 31, 2019 are \$702,619, and at December 31, 2018 are \$144,357.
- Operating revenues in 2020 and 2019 consist of grant revenue and rental revenue. Operating revenues in 2018 also included discounts received and in-kind revenue.
- Operating expenses for the year ended December 31, 2020 were approximately \$438,000, for the year ended December 31, 2019 were approximately \$488,000, and for the year ended December 31, 2018 were approximately \$326,000.

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

Management's Discussion and Analysis (Unaudited)
December 31, 2020 and 2019

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

Summary of Assets, Liabilities, and Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current Assets	\$ 126,979	\$ 264,381	\$ 31,732
Noncurrent Assets	<u>8,758,563</u>	<u>8,196,938</u>	<u>8,096,027</u>
Total Assets	<u>8,885,542</u>	<u>8,461,319</u>	<u>8,127,759</u>
Current Liabilities	<u>369,263</u>	<u>702,619</u>	<u>144,357</u>
Total Net Position:			
Net investment in capital assets	8,392,703	7,927,749	7,986,808
Unrestricted	<u>123,576</u>	<u>(169,049)</u>	<u>(3,406)</u>
	<u>\$ 8,516,279</u>	<u>\$ 7,758,700</u>	<u>\$ 7,983,402</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 and a loan payable. Although current liabilities continue to exceed current assets, management fully expects to earn and record the remaining \$375,000 of grant revenue of the \$1,700,000 award received from the New York State Empire State Development Corporation in 2021. As fully described in the Notes to the financial statements, the line of credit is used for cashflow purposes as the grant is run on a reimbursement basis.

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

Management's Discussion and Analysis (Unaudited)
December 31, 2020 and 2019

Summary of Revenues, Expenses, and Change in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:			
Grant revenue - Onondaga County	\$ -	\$ -	\$ 65,306
Grant revenue - Empire State Development Corporation	1,125,000	200,000	-
Grant revenue	-	-	67,500
Rental revenue	105,403	88,281	25,130
Discounts received	3	-	2,615
In-kind revenue	-	-	81,836
	<hr/>	<hr/>	<hr/>
Total operating revenues	<u>1,230,406</u>	<u>288,281</u>	<u>242,387</u>
OPERATING EXPENSES:			
Professional services	73,763	49,795	12,292
Office supplies & software	36,407	36,276	14,963
Repairs & maintenance	54,445	46,938	4,127
Utilities	28,945	38,921	19,942
Insurance	18,436	21,990	13,507
Telephone & internet	4,020	4,208	1,209
Equipment rental	1,470	2,435	8,718
Regrant expense	-	-	67,500
Travel	-	-	3,000
Soundstage management services	5,712	45,796	3,500
Other business expense	3,005	1,768	507
Other expense	3,871	18,965	555
Depreciation	193,814	193,814	94,034
Architectural and engineering expense	11,153	23,679	-
Property tax expense	3,148	3,169	-
In-kind expense	-	-	81,836
	<hr/>	<hr/>	<hr/>
Total operating expense	<u>438,189</u>	<u>487,754</u>	<u>325,690</u>
OPERATING INCOME (LOSS)	<u>792,217</u>	<u>(199,473)</u>	<u>(83,303)</u>
NON-OPERATING EXPENSE	<u>34,638</u>	<u>25,229</u>	<u>-</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>8,066,705</u>
CHANGE IN NET POSITION	<u>757,579</u>	<u>(224,702)</u>	<u>7,983,402</u>
NET POSITION - beginning of year	<u>7,758,700</u>	<u>7,983,402</u>	<u>-</u>
NET POSITION - end of year	<u>\$ 8,516,279</u>	<u>\$ 7,758,700</u>	<u>\$ 7,983,402</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, 2020 and 2019**

OPERATING REVENUES

Operating revenue consists of grant revenue and rental revenue in 2020 and in 2019. Operating revenue also included discounts received and in-kind revenue in 2018. Management expects to recognize the remaining \$375,000 on the Empire State Development Corporation Grant in 2021.

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 income of \$792,217 for the year ended December 31, 2020, an operating loss of \$199,473 for the year ended December 31, 2019, and an operating loss of \$83,303 for the year ended December 31, 2018.

CONTRIBUTIONS

During 2018, the Corporation received contributions of land, a building, and other various assets in the amount of \$8,066,705. No similar contributions existed in 2019 or 2020.

FUTURE FACTORS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are not entirely known at this time, but it has the potential to result in significant economic impact.

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 123,479	\$ 139,987
Grants receivable	-	100,000
Accounts receivable	1,500	22,394
Other asset	<u>2,000</u>	<u>2,000</u>
Total current assets	<u>126,979</u>	<u>264,381</u>
NONCURRENT ASSETS:		
Nondepreciable capital assets	1,184,000	1,184,000
Depreciable capital assets, net	<u>7,574,563</u>	<u>7,012,938</u>
Total noncurrent assets	<u>8,758,563</u>	<u>8,196,938</u>
Total assets	<u>8,885,542</u>	<u>8,461,319</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	-	40,406
Accrued expenses	-	2,588
Accrued financing charges	-	11,000
Accrued interest expense	3,403	14,229
Loan payable	<u>365,860</u>	<u>634,396</u>
Total current liabilities	<u>369,263</u>	<u>702,619</u>
Total liabilities	<u>369,263</u>	<u>702,619</u>
NET POSITION		
Net investment in capital assets	8,392,703	7,927,749
Unrestricted	<u>123,576</u>	<u>(169,049)</u>
Total net position	<u>\$ 8,516,279</u>	<u>\$ 7,758,700</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Grant revenue - Empire State Development Corporation	\$ 1,125,000	\$ 200,000
Rental revenue	105,403	88,281
Other Income	<u>3</u>	<u>-</u>
Total operating revenues	<u>1,230,406</u>	<u>288,281</u>
OPERATING EXPENSES:		
Professional services	73,763	49,795
Office supplies & software	36,407	36,276
Repairs & maintenance	54,445	46,938
Utilities	28,945	38,921
Insurance	18,436	21,990
Telephone & internet	4,020	4,208
Equipment rental	1,470	2,435
Soundstage management services	5,712	45,796
Other business expense	3,005	1,768
Other expense	3,871	18,965
Depreciation	193,814	193,814
Architectural and engineering expense	11,153	23,679
Property tax expense	<u>3,148</u>	<u>3,169</u>
Total operating expenses	<u>438,189</u>	<u>487,754</u>
OPERATING INCOME/(LOSS)	<u>792,217</u>	<u>(199,473)</u>
NON-OPERATING EXPENSES:		
Interest expense	34,638	14,229
Financing expense	<u>-</u>	<u>11,000</u>
Total nonoperating expenses	<u>34,638</u>	<u>25,229</u>
CHANGE IN NET POSITION	757,579	(224,702)
NET POSITION - beginning of year	<u>7,758,700</u>	<u>7,983,402</u>
NET POSITION - end of year	<u>\$ 8,516,279</u>	<u>\$ 7,758,700</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grant revenue	\$ 1,225,000	\$ 100,000
Cash received from rental revenue	126,297	71,309
Cash received from other revenue	3	-
Cash paid for professional services	(73,763)	(49,795)
Cash paid for supplies and general operations	<u>(213,606)</u>	<u>(220,508)</u>
Net cash from operating activities	<u>1,063,931</u>	<u>(98,994)</u>
CASH FLOWS CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash received from loan payable	800,000	634,396
Cash paid for amounts due for loan payable	(1,068,536)	(125,000)
Cash paid for interest and fees on loans payable	(56,464)	-
Cash paid for capital assets	<u>(755,439)</u>	<u>(294,725)</u>
Net cash from capital and related financing activities	<u>(1,080,439)</u>	<u>214,671</u>
CHANGE IN CASH	(16,508)	115,677
CASH - beginning of year	<u>139,987</u>	<u>24,310</u>
CASH - end of year	<u>\$ 123,479</u>	<u>\$ 139,987</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ 792,217	\$ (199,473)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:		
Depreciation	193,814	193,814
Changes in:		
Grants receivable	100,000	(100,000)
Accounts receivable	20,894	(16,972)
Accounts payable and accrued liabilities	<u>(42,994)</u>	<u>23,637</u>
Net cash from operating activities	<u>\$ 1,063,931</u>	<u>\$ (98,994)</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, 2020 and 2019

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, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

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, 2020 and 2019

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. As of December 31, 2020, the Corporation had received a total of \$1,325,000 of grant revenue.

The Corporation has earned the total of \$200,000 in grant revenue from NYS ESD as part of the working capital grant in 2019 and has earned another \$1,125,000 of grant revenue as part of the capital grant in 2020.

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 and financing expenses.

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, 2020 and 2019.
- 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, 2020 and 2019

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). Collateral is required for deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are those identified in NYS General Municipal Law, Section 10 and outlined in the NYS Comptroller's Financial Management Guide.

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 is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Corporation's investment and deposit policy, all deposits of the Corporation including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by a pledge of securities with an aggregate value equal to the aggregate amount of deposits.

The Corporation restricts the securities to the following eligible items:

- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation;
- Obligations partially insured or guaranteed by an agency of the United States of America;
- Obligations issued or fully insured or guaranteed by NYS;
- Obligations issued by a municipal corporation, school district or district corporation of NYS;
- Obligations issued by states (other than NYS) of the United States of America rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization (NRSRO).

The Corporation maintained cash balances with a financial institution insured by the FDIC up to \$250,000, for interest bearing and non-interest bearing accounts. At December 31, 2020 and 2019, the Corporation's deposits amounted to \$128,045 and \$149,483, respectively, and were insured in full by FDIC.

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

Notes to Basic Financial Statements
December 31, 2020 and 2019

4. CAPITAL ASSETS

The Corporation's capital assets activity for the year ended December 31, 2020 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	183,758	691,922	-	875,680
Furniture	63,852	51,569	-	115,421
Soundstage lighting equipment	102,141	8,897	-	111,038
Other equipment	29,133	3,051	-	32,184
Vehicles	105,902	-	-	105,902
Total Depreciable Assets	<u>7,300,786</u>	<u>755,439</u>	<u>-</u>	<u>8,056,225</u>
Accumulated Depreciation				
Building	(262,154)	(174,769)	-	(436,923)
Building improvements	(422)	(362)	-	(784)
Furniture	(6,898)	(4,599)	-	(11,497)
Soundstage lighting equipment	(1,777)	-	-	(1,777)
Other equipment	(10,075)	(8,494)	-	(18,569)
Vehicles	(6,522)	(5,590)	-	(12,112)
Total	<u>(287,848)</u>	<u>(193,814)</u>	<u>-</u>	<u>(481,662)</u>
Capital assets, net	<u>\$ 8,196,938</u>	<u>\$ 561,625</u>	<u>\$ -</u>	<u>\$ 8,758,563</u>

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

Notes to Basic Financial Statements
December 31, 2020 and 2019

The Corporation's capital assets activity for the year ended December 31, 2019 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	14,137	195,157	-	209,294
Furniture	38,316	-	-	38,316
Soundstage lighting equipment	53,317	48,824	-	102,141
Other equipment	28,389	744	-	29,133
Vehicles	55,902	50,000	-	105,902
Total Depreciable Assets	7,006,061	294,725	-	7,300,786
Accumulated Depreciation				
Building	(87,385)	(174,769)	-	(262,154)
Building improvements	(60)	(362)	-	(422)
Furniture	(2,299)	(4,599)	-	(6,898)
Soundstage lighting equipment	(1,777)	-	-	(1,777)
Other equipment	(1,581)	(8,494)	-	(10,075)
Vehicles	(932)	(5,590)	-	(6,522)
Total	(94,034)	(193,814)	-	(287,848)
Capital assets, net	\$ 8,096,027	\$ 100,911	\$ -	\$ 8,196,938

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 at 4.562% interest.

The Corporation incurred \$34,638 and \$14,229 of interest expense related to this borrowing for the year ended December 31, 2020 and 2019, respectively.

The purpose of the note is for the purchase of capital equipment and the funding of working capital to support the Corporation's operations. Due to the stipulations of the line of credit, amounts to be due within one year are not estimable as the amounts to be paid back are dependent upon the date that funding is received from the New York State Economic Development Grant.

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

Notes to Basic Financial Statements
December 31, 2020 and 2019

Activity for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowing - Line of Credit:	<u>\$ 634,396</u>	<u>\$ 800,000</u>	<u>\$ 1,068,536</u>	<u>\$ 365,860</u>	<u>\$ 365,860</u>

Activity for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loan Payable	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -
Direct Borrowing - Line of Credit:	<u>-</u>	<u>634,396</u>	<u>-</u>	<u>634,396</u>	<u>634,396</u>
	<u>\$ 125,000</u>	<u>\$ 634,396</u>	<u>\$ 125,000</u>	<u>\$ 634,396</u>	<u>\$ 634,396</u>

6. TRANSACTIONS WITH THE PRIMARY GOVERNMENT

The Corporation has entered into a management agreement with the County in connection with the operations of the Corporation. The scope of these services includes obtaining funds, and accounting services provided by the County Office of Management and Budget. For December 31, 2020, a total expense of \$1,196 is recognized for services provided by the County. All of this amount represents accounting services provided. For the year ended December 31, 2019, a total expense of \$2,290 is recognized for services provided by the County. All of these amounts represent accounting services provided.

7. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID - 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

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

March 24, 2021

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, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2021.

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 may exist that have not been identified.

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.

March 24, 2021

To the Members of Management of
Greater Syracuse Soundstage Development Corporation

In planning and performing our audit of the basic financial statements of 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, 2020, we considered the Corporation's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

During our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 24, 2021 on the basic financial statements of the Corporation.

We have already discussed many of these comments and suggestions with various Corporation personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This letter is intended solely for the information and use of the Board of Greater Syracuse Soundstage Development Corporation and management, and is not intended to be and should not be used by anyone other than these specified parties.

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1. Observation:

The Corporation was included on the Public Authorities delinquent reporting list in 2020.

Recommendation:

We recommend that the Corporation develop policies and procedures to ensure any delinquent reporting is submitted and future compliance with Section 2801 of Public Authorities Law is maintained.

2. Observation:

The Corporation did not retain proper records to support all activity during the year. A signed copy of the final line of credit with M&T could not be provided and audit evidence to support the completeness of the balance due at December 31, 2020 was obtained through use of viewing third party statements. Additionally, not all signed final copies of facility use agreements could be provided and in one instance an invoice was noted as misplaced and could not be provided. The activity for which supporting documentation could not be provided did not in the aggregate reach an amount that was material to the financial statements.

Recommendation:

We recommend management obtain and retain signed copies of all financing arrangement agreements to ensure the interests of the Corporation are protected.

Management should also review processes for records retention to ensure documentation is retained to meet audit requirements.

3. Observation:

The Corporation does not currently have a process in place to calculate depreciation on new capital asset additions. This calculation was not done and depreciation was not recorded on capital asset additions for the 2019 and 2020 fiscal years.

Recommendation:

We recommend that the Corporation develop a method for properly calculating and recording depreciation on capital assets in accordance with U.S. GAAP. Depreciation expense should be calculated consistently with the Corporation's accounting policies, and at minimum, recorded annually.

March 24, 2021

To the Board of Directors
Greater Syracuse Soundstage Development Corporation

We have audited the financial statements of Greater Syracuse Soundstage Development Corporation (the Corporation), a blended component unit of the County of Onondaga, New York (the County) for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated February 1, 2021. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates include:

- Management's estimate of capital assets and the related net book value

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule titled *Summary of Unadjusted Differences* summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

SIGNIFICANT AUDIT FINDINGS (Continued)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter with the date of the Independent Auditor's Report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's, discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Greater Syracuse Soundstage Development Corporation and is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

Bonadio & Co., LLP

BONADIO & Co., LLP

Greater Syracuse Soundstage Development Corporation
Summary of Unadjusted Differences
For the Year Ended December 31, 2020

Net Position	16,590	
Accumulated Depreciation		16,590
Depreciation Expense	41,239	
Accumulated Depreciation		41,239

To record depreciation on capital assets purchased in the years ending December 31, 2019 and 2020

March 24, 2021

Nathan Stevens
Greater Syracuse Soundstage Development Corporation
24 Aspen Park Boulevard
East Syracuse, NY 13057

Dear Nate,

Greater Syracuse Soundstage Development Corporation (the Corporation), falls under the Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) definition if they are affiliated with, sponsored by, or created by a municipal government.

One of the specific requirements of the PAL is Section 2925, subdivision 6 that indicates:

“Each corporation shall annually prepare and approve an investment report which shall include the investment guidelines, as specified in subdivision three of this section, amendments to such guidelines since the last investment report, an explanation of the investment guidelines and amendments, the results of the annual independent audit, the investment income record of the corporation and a list of the total fees, commissions, or other charges paid to each investment banker, broker, dealer, agent, dealer and adviser rendering investment associated services to the corporation since the last investment report. Such investment report may be a part of any other annual report that the corporation is required to make.”

In discussions with the ABO, they have indicated that the annual financial statement audit does not satisfy the requirement above. Furthermore, the requirement extends to not only investments in the conventional sense, but all funds available for deposit in the organization, except for traditional checking and savings type deposits, or trustee directed investments in association with bond issuances. Certificates of deposits would qualify as investments under the regulations.

The complexity of the audit is based primarily on the nature of the organization's investments. Organizations with certificates of deposit or other non-complex investments may be able satisfy the requirements by having an agreed-upon procedures review of its investment policy performed to ensure that the organization is in compliance with said policy.

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Since the Corporation does not have investments that meet the criteria as defined above, there is no filing requirement for December 31, 2020.

We can assist you with the requirements of this legislation and provide the reports required to satisfy the objectives, going forward. As necessary, we can perform these concurrently with our annual financial statement audits at an estimated hour basis. Please contact me to discuss the specifics of your needs.

Very truly yours,

BONADIO & CO., LLP

A handwritten signature in black ink, appearing to read "Keeley Ann Hines". The signature is written in a cursive, flowing style.

by:

Keeley Ann Hines, CPA