
Syracuse Local Development Corporation

201 East Washington Street 6th Floor

Syracuse, NY 13202

Tel (315) 473-3275

To: Audit Committee Members
Syracuse Local Development Corporation

From: Judith DeLaney

Date: March 6, 2020

Re: Audit Committee Meeting Agenda – March 10, 2020

The Syracuse Local Development Corporation will hold an Audit Committee Meeting on **Tuesday, March 10, 2019 at 8:00 a.m.** in the 5th Floor Conference Room 500 City Hall Commons, 201 East Washington Street, Syracuse, N.Y. 13202.

The Agenda is as follows:

I. Call Meeting to Order –

II. Roll Call –

III. Proof of Notice – 1

IV. Minutes – 2

Approval of the minutes from the March 15, 2019 Audit Committee meeting.

IV. New Business –

Agency Draft Financial Statements – Michael Lisson – 3

Review of the Agency's draft financial statements and recommendation to the Board of Directors regarding same.

Attachment:

1. Draft Financial Statements.

V. Adjournment –

Syracuse Local Development Corporation
201 East Washington Street 6th Floor
Syracuse, NY 13202
Tel (315) 473-3275

PLEASE POST

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PUBLIC MEETING NOTICE

THE SYRACUSE LOCAL DEVELOPMENT CORPORATION

HAS SCHEDULED AN

AUDIT COMMITTEE

MEETING FOR

TUESDAY, MARCH 10, 2020

AT 8:00 A.M.

IN

City Hall Commons

5th Floor Conference Room 500

201 East Washington St

Syracuse, NY 13202

For More Information, Please Contact the Office of the Corporation at (315) 473-3275

Syracuse Local Development Corporation
201 East Washington Street, 6th Floor
Syracuse, NY 13202
Tel (315) 473-3275

Minutes
Audit Committee Meeting
Tuesday March 15, 2019

Committee Members Present: Kenneth Kinsey, Kathleen Murphy

Committee Member Absent: Rickey Brown

Staff Present: Honora Spillane, Judith DeLaney, John Vavonese, Debra Ramsey-Burns.

Others Present: Michael Lisson.

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:05 a.m.

II. Roll Call

Ms. Murphy acknowledged all Committee members were present with the exception of Mr. Brown who was absent.

III. Proof of Notice

Ms. Murphy noted notice of the meeting had been timely and properly provided.

IV. New Business

Agency Draft Financial Statements

Michael Lisson of Grossman St. Amour CPAs, the Corporation's independent auditor distributed informational packets to the Committee including both the draft financial statements and a presentation on same. He reviewed the statements for the members and advised it was "an unmodified clean audit" with no issues or concerns to be addressed.

He noted the largest expense in 2018 the Corporation incurred was for the costs associated with the proposed acquisition of the AXA garage.

After he concluded his remarks, there being no questions or further discussion Ms. Murphy asked for a motion to recommend to the Board of Directors acceptance of the draft statements.

Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO RECOMMEND TO THE BOARD OF DIRECTORS ACCEPTANCE OF THE DRAFT FINANCIAL STATEMENTS AS PRESENTED.**

V. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting.

Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:15 a.m.**



Syracuse Local Development Corporation

Mike Lisson, CPA, CITP Partner
March 10, 2020

110 West Fayette Street, Suite 900
Syracuse, New York 13202
315.424.1120 • www.gsacpas.com

Required Communications

- Our responsibility in relation to the financial statement audit
 - Form & express an opinion on management's financial statement
- Planned scope and timing of the audit
 - Engagement letter
 - Compliance with all ethics requirements regarding independence
 - **Appropriate safeguards applied to eliminate / reduce identified threats to independence, which are primarily related to non-audit services provided which include the preparation of the financial statements and the recording of audit adjustments**
- Qualitative aspects of the entity's significant accounting practices
 - Significant accounting policies
 - Significant accounting estimates
 - Financial statement disclosures
- Significant difficulties encountered during the audit
 - **None noted**

Required Communications

- Uncorrected and corrected misstatements
 - None noted
- Disagreements with management
 - None
- Representations requested from management
 - Separate letter
- Management's consultations with other accountants
 - None that we are aware of
- Other significant matters, findings or issues
 - Closing process for books and records

Audit Reports

❑ Auditor's Opinion

- ❑ Financial statements present fairly the financial position of SLDC in accordance with GAAP
- ❑ Unmodified ("clean") audit opinion (pages 1-2)
- ❑ **The audit was conducted in accordance with U.S. GAGAS**
- ❑ **Audited Statements of Net Position, Statements of Activities and Changes in Net Position and Cash Flows** (pages 6-8)
 - ❑ No financing fees in 2019 or 2018
 - ❑ **Expenses of \$117,684.** Expenses primarily related to activity pertaining to city-owned AXA garage complex, including \$54,132 related to the operations
- ❑ **Notes to financial statements** (pages 9-12)
- ❑ Financial statements are the responsibility of management
 - ❑ Auditor's responsibility is to express an opinion on the financial statements

Other Required Reports

Investment Policy Compliance

Required by NYS Public Authorities Law section 2925

Note the **updated report** compared to the previous year, due to Authorities Budget Office policy No. 18-02

- **No non-compliance matters noted or identified**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- **No material weaknesses or non-compliance matters noted**

SYRACUSE LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2019 and 2018

SYRACUSE LOCAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Syracuse Local Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Syracuse Local Development Corporation as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Syracuse Local Development Corporation's basic financial statements as listed in the table of contents.

Management's Responsibilities for the Financial Statements

Syracuse Local Development Corporation's 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Syracuse Local Development Corporation as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows 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 on pages 3 through 5 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 10, 2020, on our consideration of the Syracuse Local Development 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 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 the Syracuse Local Development Corporation's internal control over financial reporting and compliance.



Syracuse, New York
March 10, 2020

Syracuse Local Development Corporation
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018 (unaudited)

As management of the Syracuse Local Development Corporation (the "Corporation"), we offer readers of this Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2019 and 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

FINANCIAL HIGHLIGHTS

- The Corporation primarily receives revenues from financing and application fees. However, during 2019, the Corporation did not receive financing fees.

- The Corporation's net position decreased by \$67,394 in 2019. The decrease of \$67,394 is attributed to expenses exceeding revenues. The Corporation currently manages the City of Syracuse owned parking garage at the AXA towers, as such, the Corporation receives parking revenues offset by the 3rd party contractual expenses who manages the garage on behalf of the Corporation. The majority of expenses relate to legal fees incurred for the AXA parking garage future renovations and for \$29,984 spent by the Corporation on architect services related to the garage.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net positions. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The Statement of Activities presents information showing how the Corporation's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Both of the government-wide financial statements report only business-type (proprietary) activities, since none of the Corporation's activities are considered to be governmental activities supported primarily by taxes.

Syracuse Local Development Corporation
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018 (unaudited)

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. The Corporation, like other component units of state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Corporation does not have any finance-related legal requirements for funds, as such maintains its books and records consistent with other proprietary funds, which is on a basis consistent with business-type activities. The Corporation's financial statements are considered a proprietary fund (enterprise fund) which is the same information as presented within the Statements of Net Position and Statements of Activities.

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 financial statements. The notes to the financial statements can be found on pages 9 through 12 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Corporation's financial position. In the case of the Corporation, assets exceeded liabilities by \$34,690 as of December 31, 2019. This net position balance consists of cash and cash equivalents of \$100,834, however \$66,144 represents current payables, as such, only \$34,690 may be used by the Corporation for future economic development needs as more fully described in the Corporation's mission statement.

Syracuse Local Development Corporation
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018 (unaudited)

The Corporation's only fund is treated as a proprietary (business-type) fund. The following are summarized versions of the government-wide financial statements for 2019 and 2018:

Net Position			
	2019	2018	2017
Cash and cash equivalents	\$ 100,834	\$ 182,836	\$ 237,775
Total assets	\$ 100,834	\$ 182,836	\$ 237,775
Accounts payable	\$ 66,144	\$ 80,752	\$ -
Total liabilities	66,144	80,752	-
Net position	34,690	102,084	237,775
	\$ 100,834	\$ 182,836	\$ 237,775

Change in Net Position			
	2019	2018	2017
Revenue and other support:			
Financing fees	\$ -	\$ -	\$ 229,500
Parking garage	50,187	-	-
Interest income	103	211	-
Total revenue and other support	50,290	211	229,500
Expenses:			
Insurance	3,390	-	1,695
Professional Fees	32,984	16,900	3,000
Parking garage contractual	54,132	-	-
Legal fees	21,696	119,002	-
Office expenses	5,482	-	-
Total expenses	117,684	135,902	4,695
Change in net position	(67,394)	(135,691)	224,805
Net position at beginning of year	102,084	237,775	12,970
Net position at end of year	\$ 34,690	\$ 102,084	\$ 237,775

REQUEST FOR INFORMATION

This financial report is designed to provide readers with a general overview of the Corporation's finances. If you have questions about this report or need additional information, contact the Corporation's board at the Syracuse Local Development Corporation, 201 East Washington St, Suite 700, Syracuse, NY 13202-1432.

Syracuse Local Development Corporation

Statements of Net Position

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	<u>\$ 100,834</u>	<u>\$ 182,836</u>
	<u>\$ 100,834</u>	<u>\$ 182,836</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	<u>\$ 66,144</u>	<u>\$ 80,752</u>
	<u>66,144</u>	<u>80,752</u>
Net position		
Unrestricted	<u>34,690</u>	<u>102,084</u>
Total net position	<u>34,690</u>	<u>102,084</u>
	<u>\$ 100,834</u>	<u>\$ 182,836</u>

The accompanying notes are an integral part of the financial statements

Syracuse Local Development Corporation

Statements of Activities and Changes in Net Position

	Years ended December 31,	
	2019	2018
Revenue and other support:		
Parking garage	\$ 50,187	\$ -
Interest income	103	211
Total revenue and other support	50,290	211
 Expenses:		
Insurance	3,390	-
Professional Fees	32,984	16,900
Parking garage contractual	54,132	-
Office	5,482	-
Legal fees	21,696	119,002
Total expenses	117,684	135,902
Change in net position	(67,394)	(135,691)
Net position at beginning of year	102,084	237,775
Net position at end of year	\$ 34,690	\$ 102,084

The accompanying notes are an integral part of the financial statements

Syracuse Local Development Corporation

Statements of Cash Flows – Proprietary fund

	Years ended December 31,	
	2019	2018
Cash flows from operating activities:		
Inflows -		
Parking garage fees received	\$ 50,187	\$ -
Interest income earned	103	211
Outflows -		
Other services	<u>(132,292)</u>	<u>(55,150)</u>
Net cash provided by (used in) operating activities*	<u>(82,002)</u>	<u>(54,939)</u>
Net increase (decrease) in cash and cash equivalents	(82,002)	(54,939)
Cash - Beginning of year	<u>182,836</u>	237,775
Cash - End of year	<u><u>\$ 100,834</u></u>	<u><u>\$ 182,836</u></u>
*Reconciliation of change in net position to net cash provided by (used in) operating activities:		
Change in net position:	\$ (67,394)	\$ (135,691)
Changes in operating assets and liabilities:		
Accounts payable	<u>(14,608)</u>	<u>80,752</u>
Net cash provided by (used in) operating activities	<u><u>\$ (82,002)</u></u>	<u><u>\$ (54,939)</u></u>

The accompanying notes are an integral part of the financial statements

Syracuse Local Development Corporation

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

On March 15, 2010, the Common Council of the City of Syracuse formed the Syracuse Local Development Corporation under section 1411 of the Not-for-Profit Corporation Law of the State of New York. The main purpose of the Corporation is to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the City of Syracuse by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects and undertaking projects and activities within the City of Syracuse for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of adding the City of Syracuse by attracting new industry to the City of Syracuse or by encouraging the development of, or retention of, an industry in the City of Syracuse, and lessening the burdens of government and acting in the public interest. The Corporation's tax-exempt status is pending with taxing authorities, however, the Corporation believes it will be classified as a governmental not-for-profit corporation exempt from federal income tax under Section 115 of the Internal Revenue Code and under Section 402 and 1411 of the New York Not-For-Profit Corporation Law.

The Corporation is considered a public authority and is subject to rules and regulations of the New York State Public Authorities Act of 2009. The Corporation must provide various reports to New York State officials on a frequent basis. Failure to follow public authority regulations or to provide accurate and timely information to the New York State officials could impair the ability for the Corporation to act under the public authority laws of the State of New York.

Basis of Presentation

The Corporation is considered a governmental entity for accounting and financial reporting purposes. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Governance

The Corporation is managed by a Board of Directors which establishes the general policies governing the organization. The Board of Directors is comprised of five voting directors who are all subject to confirmation by the City of Syracuse.

Annual Budgets

The Corporation is required to provide to the New York State authorities budget office an annual budget on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year. This budget is submitted to the authority's budget office and can be found on the Corporation's website at www.syracuse.ny.us/SLDC.aspx

Syracuse Local Development Corporation

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash and cash equivalents. The Corporation places its temporary cash investments with limited financial institutions and its cash balances have not exceeded the Federal Deposit Insurance Corporation limits.

Cash and Cash Equivalents

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents.

All deposits of the Corporation, including certificates of deposit and special time deposits in excess of the amount insured under the Federal Deposit Insurance Act (FDIC) shall be secured by eligible collateral. Eligible collateral is defined as consisting of any one, or combination, of the following: (a) pledge of eligible securities with an aggregate market value as provided by General Municipal Law equal to the aggregate amount of deposits or (b) by an eligible surety bond payable to the Trust for an amount equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The Corporation has no cash balances in excess of the FDIC insured amounts as of December 31, 2019.

Net Position

The unrestricted component of net position consists of unrestricted assets reduced by liabilities.

Income Taxes

The Corporation's tax-exempt status is pending with taxing authorities, however, the Corporation believes it will be classified as exempt from taxation under Section 115 of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. The Corporation also believes that none of its activities are subject to unrelated business income tax; therefore no provision for such income tax has been made in the financial statements for the years ended December 31, 2019 and 2018.

Revenue Recognition

The Corporation recognizes project and financing fees revenue related to a bond closing at the time of the bond closing. All project fees are considered to be operating revenues.

Syracuse Local Development Corporation

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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 and for the reporting period and as of the financial statement date. Actual results may differ from these estimates.

Risks and Uncertainties

Investment securities (including cash equivalents) are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the Statements of Net Position and the Statements of Activities.

2. Investments

The Corporation has a written investment policy. This investment policy allows the Corporation to invest in a variety of appropriate investment vehicles, including but not limited to special time deposits, certificates of deposits, obligations of the United States of America, obligations guaranteed by agencies of the United States of America and obligations of the State of New York. All investments held on behalf of the Corporation shall be held in the custody of a bank or trust company and shall be held pursuant to a written custodial agreement. As of December 31, 2019 and 2018, all of the assets of the Corporation are invested within either a general checking account or a money market account which are considered cash and cash equivalents for financial statement reporting.

3. Conduit Debt Obligations

The Corporation has the ability to issue bonds which are deemed to be limited obligations of the Corporation. These bonds are considered to be limited obligations as the payments for such bonds are pledged from a source outside the Corporation which has the obligation to pay the principal and interest of such bonds. These bonds are paid solely from the net revenues and other funds of the Corporation pledged under terms of each individual bond indenture agreement. Since the Corporation does not have any obligation to repay the principal and interest of such bonds, the bonds are not reflected on the statement of net position as long-term debt. As of December 31, 2019, the Corporation has issued bonds with an aggregate principal amount outstanding of approximately \$56,460,000.

Syracuse Local Development Corporation

Notes to Financial Statements

3. Conduit Debt Obligations (continued)

A summary of the conduit debt obligations is as follows:

Issuance Description	Date of Issuance	Principal at Issuance	Interest Rate(s)	Final Maturity Date
Multi-Modal Revenue Bonds (Crouse Health Hospital, Inc. Project), Series 2016A	3/9/2016	\$ 12,800,000	3.84%	1/1/2042
Multi-Modal Revenue Bonds (Crouse Health Hospital, Inc. Project), Series 2016B	3/9/2016	\$ 9,800,000	3.60%	1/1/2042
Multi-Modal Revenue Bonds (Crouse Health Hospital, Inc. Project), Series 2016C	3/9/2016	\$ 20,000,000	Libor + 2.75%	1/1/2042
Revenue Refunding Bonds (Crouse Health Hospital, Inc.), Series 2017A	11/15/2017	\$ 17,465,000	3.85%	1/1/2033
Revenue Refunding Bonds (Crouse Health Hospital, Inc.), Series 2017B	11/15/2017	\$ 5,485,000	5.89%	1/1/2024
		<u>\$ 65,550,000</u>		

Issuance Description	Principal at 12/31/2018	Issuances	Principal Payments	Principal at 12/31/2019
Multi-Modal Revenue Bonds (Crouse Health Hospital, Inc. Project), Series 2016A	\$ 12,270,000	\$ -	\$ 535,000	\$ 11,735,000
Multi-Modal Revenue Bonds (Crouse Health Hospital, Inc. Project), Series 2016B	9,410,000	-	420,000	\$ 8,990,000
Multi-Modal Revenue Bonds (Crouse Health Hospital, Inc. Project), Series 2016C	19,160,000	-	890,000	\$ 18,270,000
Revenue Refunding Bonds (Crouse Health Hospital, Inc.), Series 2017A	17,465,000	-	-	\$ 17,465,000
Revenue Refunding Bonds (Crouse Health Hospital, Inc.), Series 2017B	5,485,000	-	5,485,000	\$ -
	<u>\$ 63,790,000</u>	<u>\$ -</u>	<u>\$ 7,330,000</u>	<u>\$ 56,460,000</u>

4. Related Party Transactions

The Corporation shares space with the City of Syracuse and uses staff of either City of Syracuse or the Syracuse Urban Renewal Agency to conduct its business. These on-behalf payments are not deemed significant to these financial statements therefore are not recorded in the statement of activities.

5. Subsequent Events

In preparing financial statements, management of the Corporation has evaluated events and transactions for potential recognition or disclosure through March 10, 2020, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.

**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**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the
Syracuse Local Development Corporation
Syracuse, New York

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 business-type activities of Syracuse Local Development Corporation (SLDC) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise SLDC's basic financial statements, and have issued our report thereon dated March 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SLDC'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 SLDC's internal control. Accordingly, we do not express an opinion on the effectiveness of SLDC'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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SLDC'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.

A handwritten signature in blue ink that reads "Grossman St Aman CPAs". The signature is written in a cursive, flowing style.

Syracuse, New York
March 10, 2020

SYRACUSE LOCAL DEVELOPMENT CORPORATION

POSITIVE ASSURANCE REPORT OVER INVESTMENT PRACTICES

December 31, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Syracuse Local Development Corporation

We have examined management's assertion, herein, that the Syracuse Local Development Corporation (the Corporation) compliance with the New York State Public Authorities Law section 2925 applicable to the Corporation's adoption of comprehensive investment guidelines for the year ended December 31, 2019. Management is responsible for the Corporation's assertion. Our responsibility is to express an opinion on management's assertion about the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of management's assertion, whether due to fraud or error. In making an assessment of the risks of material misstatement, the practitioner considered and obtained an understanding of internal control relevant to the subject matter in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Corporation's compliance with the specified requirements.

In our opinion, the Corporation complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2019.

This report is intended solely for the information and use of management, the audit committee and Board of Directors, others within the Corporation, and for compliance with the New York State Public Authorities Law and is not intended to be and should not be used by anyone other than these specified parties.



Syracuse, New York
March 10, 2020

**SYRACUSE LOCAL DEVELOPMENT CORPORATION
POSITIVE ASSURANCE REPORT**

I) Designation of Depositories

The banks and trust companies authorized for the deposit of monies are designated through resolution by the Corporation Board.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

II) Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, §10 and 11, 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 shall be secured:

(A) By a pledge of "eligible securities" with an aggregate "market value", or provided by General Municipal Law, §10, equal to the aggregate amount of deposits; (B) By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government of a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, in any; (C) By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

III) Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a third party subject to security and custodial agreements.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

IV) Permitted Investments

- As authorized by General Municipal Law (GML), §11, the Corporation authorizes the Corporation Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments: (a) special time deposit accounts authorized to do business in New York State (b) Certificates of Deposit; (c) obligations of the United States of America; (d) obligations guaranteed by agencies of the United States of America, where the payment of principal and interest is guaranteed by the United States of America; (e) obligations of the State of New York; (f) obligations issued pursuant to Local Finance Law §24 or §25(with approval of the State Comptroller) by any municipality, school district or district corporation other than the City of Syracuse; and (g) obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments; (h) certificates of participation (COPs) issued pursuant to General Municipal Law §109-b; and (i) Obligations of this local government, but only with any moneys in a reserve fund established pursuant to General Municipal Law §§ 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-i, or 6-n.

**SYRACUSE LOCAL DEVELOPMENT CORPORATION
POSITIVE ASSURANCE REPORT**

IV) Permitted Investments (continued)

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

V) Diversification

It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

VI) Authorized Financial Institutions and Dealers

The Agency shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments, which can be made with each financial institution or dealer.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

VII) Purchase of Investments

The Corporation Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, is authorized to contract for the purchase of investments accordance to policy.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.

VIII) Operations, Audit and Reporting

The Corporation treasurer, as Chief Fiscal Officer, for the City of Syracuse or his/her designee, having custody of money, shall authorize the purchase and sale of all securities and execute contracts for repurchase agreements and certificates of deposit on behalf of the Corporation. Oral directions concerning the purchase, transaction, or sale of securities shall be confirmed in writing. The Corporation shall pay for purchased securities upon deliver or book entry thereof.

Management's Assertion:

The Corporation complied with the requirement as of December 31, 2019.