

March 30, 2017

To the Members of the Audit Committee  
Greater Syracuse Property Development Corporation  
d/b/a Greater Syracuse Lank Bank:

We have audited the financial statements of Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a component unit of the City of Syracuse, New York (the City) for the year ended December 31, 2016. 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 27, 2017. 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. As described in Note 8, the Corporation changed accounting policies related to financial reporting guidance and reporting format by adopting the following Statements of the Governmental Accounting Standards Board during 2016:

- GASB Statement No. 72 – *Fair Value Measurement and Application*. Adoption of this guidance did not have a significant effect on the Corporation's financial statements.
- GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement No. 67 and 68*. Adoption of this guidance did not have a significant effect on the Corporation's financial statements.
- GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Adoption of this guidance did not have a significant effect on the Corporation's financial statements.
- GASB Statement No. 77 – *Tax Abatement Disclosures*. Adoption of this guidance did not have a significant effect on the Corporation's financial statements.
- GASB Statement No. 78 – *Pensions Provided Through Certain Multi-Employer Defined Benefit Pension Plans*. Adoption of this guidance did not have a significant effect on the Corporation's financial statements.
- GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants*. Adoption of this guidance did not have a significant impact of the Corporation's financial statements.

**SIGNIFICANT AUDIT FINDINGS (Continued)**  
**Qualitative Aspects of Accounting Practices (Continued)**

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 sensitive estimates affecting the financial statements were:

- The estimated useful lives of depreciable capital assets
- Valuation of inventory
- Valuation of due from primary government

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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 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. Management has corrected all such misstatements. The adjusting journal entry has been attached in the schedules entitled *Adjusting Journal Entries*.

**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 dated March 30, 2017.

**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 Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Lank Bank and is not intended to be, and should not be used by anyone other than these specified parties.

**Greater Syracuse Property Development Corporation**  
**d/b/a Greater Syracuse Lank Bank**  
**Adjusting Journal Entries**  
**December 31, 2016**

Unrealized loss on inventory	\$82,231	
Inventory		\$82,231

To adjust impairment on inventory to actual for the fiscal year ending 12/31/2016.