GREATER SYRACUSE
LAND BANK

To: Board of Directors; Greater Syracuse Property Development Corporation
John Sidd, General Counsel
From: Katelyn Wright
Date: March 25, 2022
Re: Audit Committee Meeting – March 29, 2022

The Greater Syracuse Property Development Corporation will hold a meeting of the Audit Committee on **Tuesday, March 29, 2022 at 8:00 A.M.** at 431 E Fayette Street; Syracuse NY 13202 on the second floor.

I. Call to order
II. Roll Call
III. Proof of Notice

IV. New Business
A. Review 2021 audited financial statements

V. Adjournment

PLEASE POST **PLEASE POST** **PLEASE POST**

PUBLIC MEETING NOTICE

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION

HAS SCHEDULED A MEETING OF THE AUDIT COMMITTEE

FOR

8:00 AM Tuesday, March 29, 2022

At
431 E Fayette Street, Second Floor Conference Room
Syracuse, NY 13202

For more information, please contact Katelyn Wright at 315-422-2301 or kwright@syracuselandbank.org

Bonadio & Co., LLP
Certified Public Accountants

March 29, 2022

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

We have audited the financial statements of Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York (the City) for the year ended December 31, 2021. 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 January 11, 2022. 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 2021.

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

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.

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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 known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The adjusting journal entries have been attached in the schedules entitled *Material 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 as of our 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.

We were engaged to report on the Schedule of Expenditures of Federal Awards (supplementary information), which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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 Land 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 Land Bank
Material Adjusting Journal Entries
December 31, 2021

Impairment Loss Expense	$75,593	
Inventory		$75,593

To record impairment and reduce the value of inventory for properties recognized in excess of market value per the Corporation's accounting policies.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION D/B/A GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Financial Statements as of December 31, 2021 and 2020

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

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INDEPENDENT AUDITOR'S REPORT

March 29, 2022

To the Board of Directors of the
Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York (the City), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and the respective 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2022 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.

Other Reporting Required by New York State General Municipal Law

In accordance with New York State General Municipal Law, we have also issued our report dated March 29, 2022, on our consideration of the Corporation's compliance with Section 2925(3)(f) of the New York State (NYS) Public Authorities Law. The purpose of that report is to describe anything that came to our attention that caused us to believe the Corporation failed to comply with the Corporation's Investment Guidelines, the NYS Comptroller's Investment Guidelines and Section 2925 of the NYS Public Authorities Law (collectively, the Investment Guidelines).

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation or Land Bank), a discretely presented component unit of the City of Syracuse, New York (the City) annual financial report presents discussion and analysis of the Corporation's financial performance during the fiscal years ending December 31, 2021 showing 2020 and 2019 for comparison. Please read it in conjunction with the Corporation's financial statements and accompanying notes.

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 Statements of Net Position, Statements of Revenues, Expenses and Change in Net Position, the Statements 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 Statements of Net Position include all of the Corporation's assets and liabilities, using the accrual basis of accounting. The Statements of Revenues, Expenses and Change in Net Position report all of the revenues and expenses during the time period indicated. The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for debt.

FINANCIAL HIGHLIGHTS

- Below are the Corporation's total net position, total current assets, total current liabilities, and current ratio at December 31, 2021, December 31, 2020, and December 31, 2019, respectively:

	2021	2020	2019
Total Net Position	$ 3,139,206	$ 2,994,716	$ 3,835,443
Total Current Assets	$ 5,631,630	$ 3,393,275	$ 4,865,196
Total Current Liabilities	$ 2,492,424	$ 398,559	$ 1,029,753
Current Ratio	2.3	8.5	4.7

  The current ratio provides an idea as to the Corporation's ability to pay back its short-term liabilities. The higher the current ratio, the healthier the company. This ratio indicates the Corporation is more than able to meet and pay its current liabilities.

- Below are the Corporation's operating revenues, operating expenses, and operating income at December 31, 2021, December 31, 2020, and December 31, 2019, respectively:

	2021	2020	2019
Operating Revenues	$ 4,750,769	$ 3,685,924	$ 4,925,720
Operating Expenses	$ 4,683,463	$ 4,600,375	$ 5,299,030
Operating Income (Loss)	$ 67,306	$ (914,451)	$ (373,310)

- **Revenues – Budget to Actual:** The Land Bank's 2021 budget anticipated revenues of $5,272,552 and our actual revenues were $4,763,519, a variance of $509,033. This variance is explained by grant deliverables (such as demolition, renovation, and stabilization projects) completed later than anticipated (income is booked at the time the expense is incurred). Since the expense for these projects has been delayed into 2022, associated income will not be booked until 2022.

- **Expenses – Budget to Actual**: The Land Bank's 2021 budget anticipated $5,193,622 in expenses and our actual expenses totalled $4,683,463, a variance of $510,159 or about 10% under budget. This is due to certain grant funded projects being delayed, and the associated expense not being incurred until 2022.

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

Summary of Assets, Liabilities, and Net Position

	2021	2020	2019
Current assets	$ 5,630,388	$ 3,390,747	$ 4,860,289
Capital assets	1,242	2,528	4,907
Total assets	5,631,630	3,393,275	4,865,196
Current liabilities	2,492,424	398,559	1,029,753
Net position:			
Net investment in capital assets	1,242	2,528	4,907
Unrestricted	3,137,964	2,992,188	3,830,536
Total net position	$ 3,139,206	$ 2,994,716	$ 3,835,443

CURRENT ASSETS

Current assets at December 31, 2021 were comprised mostly of cash, restricted grant funds, and inventory. Cash on hand less any liabilities and plus contract receivables at the end of 2021 totaled $2,459,278, sufficient to cover more than ten (10) months of operating expenses (not inclusive of demolitions or other expenses such as renovations and stabilization that are typically only undertaken using restricted grant funds).

INVENTORY

The fair market value of real estate held as inventory by the Corporation is not generally reflected in the Corporation's financial statements until it is sold. Generally Accepted Accounting Principles require inventory be booked at cost or fair market value, whichever is less. Costs, not including period costs or routine maintenance which are expensed when incurred, are only booked as expenses once a property has been sold. Since the Greater Syracuse Land Bank acquires most properties for $151 each, subsequent to municipal foreclosure, costs will in most cases be less than fair market value.

In 2021, the Land Bank acquired 121 properties; these include 87 via City of Syracuse foreclosure proceedings (an increase from 42 properties in 2020, but still a decrease from 174 properties in 2019 and 261 in 2018), as well as sixteen (16) purchases, eleven (11) vacant lots previously owned by the City of Syracuse, four (4) deeds in lieu of foreclosure, and three (3) private donations. For donated properties, which are acquired at no cost, an estimated fair market value is booked to inventory at the time of acquisition.

CAPITAL ASSETS

Capital assets at December 31, 2021, December 31, 2020 and December 31, 2019, were comprised of property, furniture and equipment that was purchased and capitalized during the years in accordance with the Corporation's capitalization policy.

CURRENT LIABILITIES

Current liabilities are comprised of current obligations (accounts payable, accrued liabilities and other liabilities) that are due currently, or in the next 12 months as well as advances of grant and government subsidy revenue that have not yet been earned.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Summary of Revenues, Expenses, and Change in Net Position

	2021	% of Total	2020	% of Total	2019	% of Total
OPERATING REVENUES:						
Grant and government subsidy revenue	$ 3,157,793	66.47%	$ 2,435,358	66.07%	$ 3,290,826	66.45%
Sale of property	1,330,596	28.01%	1,035,660	28.10%	1,559,798	31.50%
Rental revenue	24,901	0.52%	30,450	0.83%	46,025	0.93%
Other revenue	37,082	0.78%	28,868	0.78%	44,045	0.89%
Project extension fees	80,302	1.69%	53,878	1.46%	11,310	0.23%
PPP forgiveness	120,095	2.53%	101,710	2.76%	-	0.00%
Total operating revenues	4,750,769		3,685,924		4,952,004	
OPERATING EXPENSES:						
Cost of sales	2,830,843	60.44%	2,741,621	59.60%	3,762,431	71.02%
Unrealized loss on inventory	373,173	7.97%	447,542	9.73%	383,871	7.25%
Relocation assistance	13,003	0.28%	26,210	0.57%	37,834	0.71%
Special assessment	7,210	0.15%	21,370	0.46%	13,381	0.25%
General & admin expenses	46,073	0.98%	42,300	0.92%	46,670	0.88%
Professional services	423,320	9.04%	346,066	7.52%	148,561	2.80%
Salaries, wages and related expenses	649,900	13.88%	619,453	13.47%	498,581	9.41%
Advertising	15,414	0.33%	11,100	0.24%	3,507	0.07%
Insurance	282,528	6.03%	303,767	6.60%	356,106	6.72%
Rent	33,321	0.71%	30,862	0.67%	31,115	0.59%
Travel	7,392	0.16%	7,705	0.17%	12,306	0.23%
Depreciation	1,286	0.03%	2,379	0.05%	3,030	0.06%
Total operating expenses	4,683,463		4,600,375		5,297,393	
OPERATING INCOME (LOSS)	67,306		(914,451)		(345,389)	
NON-OPERATING INCOME (EXPENSES):						
Miscellaneous	11,115		1,734		(127)	
CONTRIBUTIONS	66,069		71,990		235,250	
CHANGE IN NET POSITION	$ 144,490		$ (840,727)		$ (110,266)	

OPERATING REVENUES

Operating revenue is mostly comprised of grant and government subsidies awarded to the Corporation to aid in meeting the objectives of the Corporation and revenue from the sale of property.

OPERATING EXPENSES

Operating expenses in 2021 are mostly comprised of cost of sales, salaries and wages, insurance and professional services.

Cost of sales includes property acquisition and stabilization costs as well as the ongoing expenses associated with property maintenance. One of our sales specialists resigned in October and we opted not to fill the position, given that we have very little inventory to list and our average number of listings at any given time is about 1/3 of what it was in mid-2020. This has reduced the number of full-time staff to eight (8).

OPERATING RESULTS

Below are the Corporation's operating loss, non-operating income(loss), contributions, change in net position, and net position at December 31, 2021, December 31, 2020, and December 31, 2019, respectively:

	2021	2020	2019
Operating Income (Loss)	$ 67,306	$ (914,451)	$ (345,389)
Non-operating Income(Loss)	$ 11,115	$ 1,734	$ (127)
Contributions	$ 66,069	$ 71,990	$ 235,250
Change in Net Position	$ 144,490	$ (840,727)	$ (110,266)
Net Position	$ 3,139,206	$ 2,994,716	$ 3,835,443

CAPITAL ASSET ADMINISTRATION

Below are the Corporation's investment in capital assets (net of accumulated depreciation) at December 31, 2021, December 31, 2020, and December 31, 2019, respectively. This investment includes furniture, equipment, computer hardware, and small amounts of software.

	2021	2020	2019
Depreciable capital assets:			
Furniture and equipment	$ 1,242	$ 2,528	$ 4,907
Total depreciable capital assets	$ 1,242	$ 2,528	$ 4,907

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 Executive Director, 431 E Fayette Street, Suite 375, Syracuse, NY 13202.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Statements of Net Position
December 31, 2021 and 2020

		2021		2020
ASSETS				
CURRENT ASSETS:				
Cash	$	2,779,882	$	2,066,826
Accounts receivable		1,000		5,250
Grant and government subsidy receivable		326,411		271,719
Note receivable		84,751		86,833
Inventory		526,124		680,906
Prepaid expenses		69,151		59,225
Restricted cash		1,843,069		219,988
Total current assets		5,630,388		3,390,747
NONCURRENT ASSETS:				
Capital assets, net		1,242		2,528
Total assets		5,631,630		3,393,275
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable		533,048		94,539
Accrued expenses		97,183		46,613
Grant and government subsidy revenue advance		1,843,069		219,988
Other liabilities		19,124		37,419
Total current liabilities		2,492,424		398,559
NET POSITION				
Net investment in capital assets		1,242		2,528
Unrestricted		3,137,964		2,992,188
Total net position	$	3,139,206	$	2,994,716

The accompanying notes are an integral part of these statements.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Statements of Revenues, Expenses and Change in Net Position
For the years ended December 31, 2021 and 2020

	2021	2020
OPERATING REVENUES:		
Grant and government subsidy revenue	$ 3,157,793	$ 2,435,358
Sale of property	1,330,596	1,035,660
Rent revenue	24,901	30,450
Project extension fees	80,302	53,878
Paycheck Protection Program forgiveness	120,095	101,710
Other revenue	37,082	28,868
Total operating revenues	4,750,769	3,685,924
OPERATING EXPENSES:		
Cost of sales	2,830,843	2,741,621
Unrealized loss on inventory	373,173	447,542
Relocation assistance	13,003	26,210
Special assessment	7,210	21,370
Salaries, wages and related expenses	649,900	619,453
Insurance	282,528	303,767
Professional services	423,320	346,066
General and administrative expenses	46,073	42,300
Rent	33,321	30,862
Advertising	15,414	11,100
Depreciation	1,286	2,379
Travel	7,392	7,705
Total operating expenses	4,683,463	4,600,375
OPERATING INCOME (LOSS)	67,306	(914,451)
NON-OPERATING INCOME:		
Miscellaneous income	11,115	1,734
INCOME (LOSS) BEFORE CONTRIBUTIONS	78,421	(912,717)
CONTRIBUTIONS:		
Cash contributions	4	19,485
Demolition contributions	-	25,000
Inventory contributions	66,065	27,505
Total contributions	66,069	71,990
CHANGE IN NET POSITION	144,490	(840,727)
NET POSITION - beginning of year	2,994,716	3,835,443
NET POSITION - end of year	$ 3,139,206	$ 2,994,716

The accompanying notes are an integral part of these statements.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grant and government subsidies	$ 4,726,182	$ 2,195,945
Cash received from property sales	1,332,678	948,827
Cash received from rent	29,151	25,200
Cash received from other revenue	80,302	28,868
Cash received from project extensions	37,082	53,878
Cash received from PPP loan forgiveness	120,095	101,710
Cash paid for inventory	(2,568,186)	(3,272,962)
Cash paid for general and administrative expenses	(43,540)	(26,583)
Cash paid for professional services	(377,307)	(317,753)
Cash paid for salaries, wages and related expenses	(642,645)	(621,432)
Cash paid for advertising	(15,414)	(11,100)
Cash paid for insurance	(292,454)	(272,662)
Cash paid for rent	(33,321)	(30,862)
Cash paid for relocation assistance and special assessment	(20,213)	(47,580)
Cash paid for travel	(7,392)	(7,705)
Net cash from operating activities	2,325,018	(1,254,211)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from cash contributions	4	19,485
Net cash from capital and related financing activities	4	19,485
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net miscellaneous income (expense)	11,115	1,734
Net cash from investing activities	11,115	1,734
CHANGE IN CASH	2,336,137	(1,232,992)
CASH - beginning of year	2,286,814	3,519,806
CASH - end of year	$ 4,622,951	$ 2,286,814
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION:		
Cash	$ 2,779,882	$ 2,066,826
Restricted cash	1,843,069	219,988
Total	$ 4,622,951	$ 2,286,814
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ 67,306	$ (914,451)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:		
Depreciation	1,286	2,379
Unrealized loss on inventory	373,173	447,542
Bad debts	12,750	-
Inventory and demolition contributions	66,065	52,505
Changes in:		
Accounts receivable	(8,500)	(5,250)
Grant and government subsidy receivable	(54,692)	99,491
Note receivable	2,082	(86,833)
Inventory	(218,391)	(249,506)
Prepaid expenses	(9,926)	31,106
Accounts payable	438,509	(280,519)
Accrued expenses	50,570	(15,519)
Grant and government subsidy revenue advance	1,623,081	(338,904)
Other liabilities	(18,295)	3,748
Net cash from operating activities	$ 2,325,018	$ (1,254,211)
NONCASH ACTIVITIES:		
Inventory and demolition contributions	$ 66,065	$ 52,505
Total noncash activities	$ 66,065	$ 52,505

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), was formed in 2012 to address the problems of vacant, abandoned, or tax delinquent property in the City of Syracuse, New York (the City or primary government) and the County of Onondaga, New York (the County) in a coordinated manner through the acquisition of real property. The mission of the Corporation is to return that property to productive use in order to strengthen the economy, improve the quality of life, and improve the financial condition of the municipalities, through the use of the powers and tools granted to land banks by New York State (NYS).

The Corporation is considered a discretely presented component unit of the City based upon the fact that the Corporation is fiscally dependent on the primary government and there is a financial benefit/burden relationship between the primary government and the Corporation.

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 Governmental Accounting Standards Board (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, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

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

Estimates

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

Income Tax Status

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

Cash and Restricted Cash
Cash consists primarily of demand deposits. Certain amounts of cash are classified as restricted because their use is restricted by grant agreements. Restricted cash balances have been offset by grant and government subsidy revenue advances at December 31, 2021 and 2020.

Grant and Government Subsidy Receivable
Grant and government subsidy receivable represents funds earned but not yet received by the Corporation related to grant and government subsidy revenue. Management does not believe a reserve for uncollectible receivables is necessary at December 31, 2021 and 2020.

Note Receivable
The Corporation holds a note receivable related to a property sale. See footnote 5 for more information. Management does not believe an allowance for doubtful accounts is necessary.

Inventory
Inventory consists of vacant, abandoned, or tax delinquent property in the City and County purchased by the Corporation. Inventory is valued at the lower of cost or market. Market value is defined as ½ the assessed value of the property except for vacant lots and demolition candidates, which are valued at $151, and properties listed for sale, which are valued at listing price. Cost includes but is not limited to, property purchase cost, appraisal, inspection and recording fees, renovation costs and professional services.

Prepaid Expenses
Prepaid expenses consist primarily of amounts paid for the portion of insurance policies that provide coverage for the following fiscal year.

Capital Assets
Capital assets include property, furniture and equipment and rental properties. Capital assets other than rental properties are defined by the Corporation as assets with an initial individual cost of more than $1,000 and having an estimated useful life in excess of one year. Rental properties are defined by the Corporation as all costs associated with the purchase of the rental property and having an estimated useful life in excess of one year. Assets will be depreciated using the straight-line method.

Grant and Government Subsidy Revenue Advance
In certain instances, the Corporation receives grant and government subsidy revenue prior to meeting the definition of earned. Such amounts are reflected as a liability, grant and government subsidy revenue advances, until amounts are deemed earned and then recognized as revenue.

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 mostly comprised of grant and government subsidy revenue resulting from exchange transactions associated with the principal activities of the Corporation. Other sources of operating revenues include sales of property and rental revenue. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Corporation's mission. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Unrealized Loss on Inventory

Deterioration, damage, changing prices and other factors have caused certain inventory's cost to exceed its market value. In accordance with GAAP, inventory has been reduced to market value and an unrealized loss has been recognized in both December 31, 2021 and 2020.

Contributions

The Corporation received contributions of property, donated demolition and cash during the fiscal years ending December 31, 2021 and 2020. These amounts are reflected in the statements of revenues, expenses and change in net position.

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 does not have restricted net position at December 31, 2021 and 2020.
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.

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 the Executive Director.

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 financial institutions insured by the FDIC up to $250,000, per bank, for each ownership category. At December 31, 2021 and 2020 the Corporation's deposits consisted of approximately $4,617,888 and $2,273,828, respectively, in cash and were insured each year by FDIC in the amount of $250,000. The remaining balance of approximately $4,367,888 and $2,023,828 at December 31, 2021 and 2020, respectively, was collateralized by a third party in accordance with NYS General Municipal Law, Section 10 and the Corporation's policies.

4. CAPITAL ASSETS

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

	Balance at January 1	Additions	Deductions	Balance at December 31
Furniture and equipment	$ 32,831	$ -	$ -	$ 32,831
Total	32,831	-	-	32,831
Accumulated depreciation:				
Furniture and equipment	(30,303)	(1,286)	-	(31,589)
Total	(30,303)	(1,286)	-	(31,589)
Capital assets, net	$ 2,528	$ (1,286)	$ -	$ 1,242

The Corporation's capital assets activity for the year ended December 31, 2020 was as follows:

	Balance at January 1	Additions	Deductions	Balance at December 31
Furniture and equipment	$ 32,831	$ -	$ -	$ 32,831
Total	32,831	-	-	32,831
Accumulated depreciation:				
Furniture and equipment	(27,924)	(2,379)	-	(30,303)
Total	(27,924)	(2,379)	-	(30,303)
Capital assets, net	$ 4,907	$ (2,379)	$ -	$ 2,528

5. NOTE RECEIVABLE

On November 1, 2020, the Corporation entered into a note receivable agreement for $87,000 to be paid back in monthly installments of $675, including interest at 7% through November 1, 2040. The note receivable balance was $84,751 and $86,833 at December 31, 2021 and 2020, respectively.

Maturities of the note receivable at December 31, 2021 are as follows:

	Principal	Interest	Total
2022	$ 2,232	$ 5,862	$ 8,094
2023	2,394	5,700	8,094
2024	2,567	5,527	8,094
2025	2,752	5,342	8,094
2026	2,951	5,143	8,094
2027-2031	18,282	22,191	40,473
2032-2036	25,916	14,554	40,470
2037-2040	27,657	5,955	33,612
Total	$ 84,751	$ 70,274	$ 155,025

6. INTERMUNICIPAL AGREEMENT

Within the parameters of the New York Land Bank Act of Article 16 of the New York Not-for-Profit Corporation Law, any one or more foreclosing governmental units are permitted to enter into an intergovernmental cooperation agreement to establish a land bank. In 2012, the County and the City entered into an intermunicipal agreement for the creation of the Corporation to exercise the powers, duties, functions, and responsibilities of a land bank under the Land Bank Act.

7. TRANSACTIONS WITH PRIMARY GOVERNMENT

The Corporation and the City entered into various grant agreements in 2020 and 2021. The Corporation recognized $2,262,798 and $902,626 of grant and government revenue for the years ended December 31, 2021 and 2020, respectively. Related to these agreements, $250,851 and $217,552 was due from the City to the Corporation at December 31, 2021 and 2020, respectively. These amounts are included in grant and government subsidy receivable on the statements of net position.

8. LOAN GUARANTEE PROGRAM

The Corporation entered into an agreement with Home HeadQuarters, Inc. for a Loan Guarantee Program to encourage the purchase and rehabilitation of properties within the City of Syracuse owned by the Corporation. Under the program, Home HeadQuarters, Inc. provided $1,500,000 into mortgages, of which the Corporation provided a guarantee up to $150,000. The Corporation is under obligation for 10 years after the last loan is issued. The last loan was issued on October 14, 2016.

9. PAYCHECK PROTECTION PROGRAM ARRANGEMENT

In January 2021, the Corporation entered into a promissory note payable to M&T Bank in the amount of $120,095. The note was entered into as part of the U.S. Small Business Administration's Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The PPP provides for this borrowing, or a portion of the borrowing to be forgiven to the extent the Corporation meets defined requirements related to expenditure of the funds and management of the personnel complement. During the year ended December 31, 2021, the Land Bank satisfied all requirements and obtained a notice of forgiveness for the PPP loan from the bank. As a result, the amount of $120,095 is recognized in revenue in 2021 and no liability remains for the year ended December 31, 2021

In April 2020, the Corporation entered into a promissory note payable to M&T Bank in the amount of $101,710. The note was entered into as part of the U.S. Small Business Administration's Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The PPP provides for this borrowing, or a portion of the borrowing to be forgiven to the extent the Corporation meets defined requirements related to expenditure of the funds and management of the personnel complement. During the year ended December 31, 2020, the Land Bank satisfied all requirements and obtained a notice of forgiveness for the PPP loan from the bank. As a result, the amount of $101,710 is recognized in revenue in 2020 and no liability remains for the year ended December 31, 2020.

Bonadio & Co., LLP
Certified Public Accountants

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 29, 2022

To the Board of Directors of
Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank

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 Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York, (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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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*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.*

Corporation's Response to Finding

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

March 29, 2022

To the Board of Directors of
Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited the Greater Syracuse Property Development Corporation's d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York, (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2021. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Schedule of Expenditures of Federal Awards
For the year ended December 31, 2021

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Agency or Pass-Through Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Pass-through City of Syracuse, New York:				
COVID-19: Community Development Block Grant	14.218	N/A	$ 452,305	
Pass-through County of Onondaga, New York:				
COVID-19: Community Development Block Grant	14.218	N/A	250,000	
Total CDBG - Entitlement Grants Cluster			702,305	
Total U.S. Department of Housing and Urban Development			702,305	
U.S. Department of the Interior				
Save America's Treasures	15.929	N/A	558	
Total U.S. Department of the Interior			558	
U.S. Department of the Treasury				
Pass-through City of Syracuse, New York:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,286,493	
Total U.S. Department of Treasury			1,286,493	
U.S. Environmental Protection Agency				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-96251919	23,487	
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-96251719	271,474	
Total Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements			294,961	
Total U.S. Environmental Protection Agency			294,961	
Total Expenditures of Federal Awards			$ 2,284,317	

The accompanying notes are an integral part of this schedule.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

1. BASIS OF PRESENTATION

Pass-Through Programs

Where the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation) receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing (AL) number when advised by the pass-through grantor. Identifying numbers, other than AL numbers, which may be assigned by pass-through grantors, are not maintained in the Corporation's financial management system. The Corporation's management has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards (SEFA).

2. BASIS OF ACCOUNTING

The SEFA is presented in accordance with accounting principles generally accepted in the United States of America and is derived from the Corporation's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the SEFA up to such amounts.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. The Corporation has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. MATCHING COSTS

Matching costs, i.e., the Corporation's share of certain program costs, are not included in the reported expenditures.

GREATER SYRACUSE PROPERTY DEVELOPMENT CORPORATION
d/b/a GREATER SYRACUSE LAND BANK
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Schedule of Findings and Questioned Costs
For the year ended December 31, 2021

Part 1 Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the City's financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	☑ Yes ☐ No
Significant deficiencies identified?	☐ Yes ☑ None reported
Noncompliance material to financial statements noted?	☐ Yes ☑ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	☐ Yes ☑ No
Significant deficiencies identified?	☐ Yes ☑ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR Section 200.516(a)?	☐ Yes ☑ No

The dollar threshold to distinguish between Type A and B programs was $750,000.

The major federal program of the Corporation for the year ended December 31, 2021 was as follows:

U.S. Department of the Treasury
COVID-19: Coronavirus State and Local Fiscal Recovery Funds (21.027)

The Corporation was not considered a low-risk auditee for the year ended December 31, 2021.

Part II - Financial Statement Findings

Reference Number: 2021-001

Inventory Valuation

Criteria:

Inventory is required to be valued at the lower of cost or market value, as prescribed by U.S. GAAP. Market value should be applied consistently in accordance with the Corporation's accounting policies.

Condition/Cause:

The accumulation of significant renovation costs was used as a basis for market value on certain properties, which did not comply with the Corporation's accounting policies.

Effect:

As a result, inventory was materially overstated. An audit adjustment to increase impairment expense and decrease inventory by $75,593 was required to properly state financial statements in accordance with U.S. GAAP.

Recommendation:

We recommend that the Corporation review accounting policies for estimating market value and apply consistently to all properties in inventory to identify potential impairment.

Management's Response:

Inventory consists of vacant, abandoned, or tax-delinquent property in the City and County purchased by the Corporation. Inventory is valued at the lower of cost or market. Market value is defined as ½ the assessed value of the property except for vacant lots which are valued at $151 and properties listed for sale, which are valued at listing price. Cost includes but is not limited to, property purchase cost, appraisal, inspection and recording fees, renovation costs and professional services.

In this case, for three properties still in inventory, which were partially renovated, we inadvertently booked the cost of the renovations as the inventorial value, instead of their list price or FMV. Since the list price was less than the value of the renovations made, this overvalued the inventory by $75,593. In the future, we will be sure to consult this policy as a refresher when doing the annual inventorial write-down.

Part III - Federal Award Findings and Questioned Costs

None reported.

Bonadio & Co., LLP
Certified Public Accountants

REPORT ON SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

March 29, 2022

To the Board of Directors of
Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank

We have audited, in accordance with the 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 Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 29, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the Corporation's Investment Guidelines, The New York State (NYS) Comptroller's Investment Guidelines and Section 2925 of the NYS Public Authorities Law (collectively, the Investment Guidelines), which is the responsibility of the Corporation's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines. However, our audit was not directed primarily towards obtaining knowledge of noncompliance with such Investment Guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the Investment Guidelines.

This report is intended solely for the information and use of management of the Corporation, the Board of Directors of the Corporation, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

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March 29, 2022

Mr. Gregg Evans, Partner
Bonadio & Co., LLP
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This representation letter is provided in connection with your audit of the financial statements of the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York (the City), which comprise the statement of net position of the Corporation, as of December 31, 2021 and 2020, the related statements of revenues, expenses and change in net position, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 11, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

9. The effects of all known actual or possible litigation, claims and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the Corporation is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d. Minutes of the meetings of the Corporation or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements

17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

19. We have appropriately disclosed and valued in-kind services received by the Corporation.

Government - specific

20. We have made available to you all financial records and related data.

21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

22. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.

23. We have a process to track the status of audit findings and recommendations.

24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

25. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

26. The Corporation has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.

27. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

28. We have appropriately disclosed all information for conduit debt obligations in accordance with .

29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

30. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

31. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

32. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

33. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

34. The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

35. The Corporation has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

36. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

37. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

38. The financial statements properly classify all funds and activities.

39. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

40. Investments, derivative instruments, and land and other real estate held by endowments are properly valued, when applicable.

41. Provisions for uncollectible receivables have been properly identified and recorded, when applicable.

42. Inventory is stated at the lower of cost or market value.

43. General and administrative expenses are included as period charges, except for the portion of such expenses that may be clearly related to production and thus constitute a part of inventory costs.

44. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

45. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

46. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

47. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

48. We have appropriately disclosed the Corporation’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

49. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

50. With respect to the schedule of expenditures of federal awards:

    a. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America, and we believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b. If the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor’s report thereon.

51. With respect to federal award programs:

    a. We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b. We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f. We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h. We have received no requests from a federal agency to audit one or more specific programs as a major program.

i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.

j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t. We have charged costs to federal awards in accordance with applicable cost principles.

u. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

v. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

w. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

x. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

52. With respect to investment policies:

a. We are responsible for the Corporation's compliance with its own investment policies as well as applicable laws, regulations and the New York State Office of the State Comptroller's Investment Guidelines for Public Authorities.
b. As of and for the year ending December 31, 2021, the Corporation is in compliance with its own investment policies as well as the applicable laws, regulations and the New York State Office of the State Comptroller's Investment Guidelines for Public Authorities.

Signature:_____________________________ Signature:_____________________________

Title: Executive Director Title: Audit Committee Board Member