

	2014 projected	2015	2016	2017	2018
Anticipated year-end inventory (# of properties):	400	800	1100	1200	1150
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>40000 · Government Grants</b>					
40010 · City of Syracuse	\$ 1,500,000.00	\$ 1,666,666.66	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00
40020 · Onondaga Civic Develop. Corp.	\$ 83,333.33	\$ -	\$ -	\$ -	\$ -
40030 · Admin/Developer Fees	\$ 100,909.00	\$ 110,411.00	\$ 55,205.91	\$ -	\$ -
40040 · Onondaga County	\$ 145,000.00	\$ 685,000.00	\$ 500,000.00	\$ 250,000.00	\$ 250,000.00
40060 · NY Attorney General	\$ 1,056,980.00	\$ 2,374,357.00	\$ 1,454,819.09	\$ -	\$ -
40070 · 50%/5Year Split	\$ -	\$ -	\$ 136,347.27	\$ 210,718.51	\$ 272,694.54
<b>Total 40000 · Government Grants</b>	<b>\$ 2,886,222.33</b>	<b>\$ 4,836,434.66</b>	<b>\$ 3,146,372.27</b>	<b>\$ 960,718.51</b>	<b>\$ 1,022,694.54</b>
40050 · CenterState C.E.O.	\$ -				
42000 · REO Donated Funds	\$ 66,000.00	\$ 150,000.00	\$ 200,000.00	\$ 150,000.00	\$ 150,000.00
48000 · Side Lot Application Income	\$ 250.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
49000 · Rental Income	\$ 100,000.00	\$ 150,000.00	\$ 125,000.00	\$ 100,000.00	\$ 100,000.00
49500 · Sale of Property	\$ 800,000.00	\$ 1,600,000.00	\$ 2,400,000.00	\$ 1,600,000.00	\$ 1,200,000.00
<b>Total Income</b>	<b>\$ 3,852,472.33</b>	<b>\$ 6,736,934.66</b>	<b>\$ 5,872,372.27</b>	<b>\$ 2,811,718.51</b>	<b>\$ 2,473,694.54</b>

<b>Cost of Goods Sold</b>					
<b>50000 · Cost of Sales</b>					
50010 · Property Purchase Cost	\$ 70,000.00	\$ 190,600.00	\$ 190,600.00	\$ 130,200.00	\$ 130,200.00
50020 · Recording Fees	\$ 25,000.00	\$ 135,700.00	\$ 275,500.00	\$ 60,100.00	\$ 60,100.00
50030 · Initial Inspections*	\$ 120,000.00	\$ 150,000.00	\$ 80,000.00	\$ 45,000.00	\$ 45,000.00
50031 · Periodic Inspections	\$ 150,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
50040 · Board-Up	\$ 43,548.00	\$ 80,000.00	\$ 80,000.00	\$ 60,000.00	\$ 40,000.00
50045 · Pest Extermination	\$ 6,000.00	\$ 30,000.00	\$ 30,000.00	\$ 20,000.00	\$ 15,000.00
50050 · Debris Removal	\$ 85,000.00	\$ 200,000.00	\$ 200,000.00	\$ 150,000.00	\$ 100,000.00
50060 · Re-Key	\$ 28,273.00	\$ 42,409.50	\$ 42,409.50	\$ 21,204.75	\$ 14,136.50
50070 · Yard Maintenance	\$ 95,182.62	\$ 255,182.62	\$ 335,182.62	\$ 384,000.00	\$ 335,182.62
50080 · Snow Removal	\$ 75,000.00	\$ 320,000.00	\$ 440,000.00	\$ 480,000.00	\$ 460,000.00
50090 · Renovation <sup>†</sup>	\$ 873,590.36	\$ 1,667,493.97	\$ 560,000.00	\$ 50,000.00	\$ 50,000.00



<b>50000 · Cost of Sales con't</b>					
50095 · Sidewalk Replacement/Repair	\$ 20,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
50100 · Stabilization	\$ 100,000.00	\$ 200,000.00	\$ 200,000.00	\$ 150,000.00	\$ 150,000.00
50110 · Demolition/Deconstruction	\$ 203,390.00	\$ 590,000.00	\$ 986,000.00	\$ -	\$ -
50115 · Environmental Services	\$ 121,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
50120 · Permits/Fees	\$ 5,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
50130 · Utilities	\$ 17,157.00	\$ 34,314.00	\$ 68,628.00	\$ 82,353.60	\$ 68,628.00
50140 · Title Insurance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
50145 · Title Searches	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
50150 · Special Assessments	\$ 34,000.00	\$ 100,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
50160 · Rental Management	\$ 40,500.00	\$ 60,750.00	\$ 50,625.00	\$ 40,500.00	\$ 40,500.00
50170 · Architectural Prof. Services	\$ 1,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
50180 · Land Survey Prof. Services	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
50190 · Evictions	\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 20,000.00	\$ 15,000.00
50191 · Relocation Assistance	\$ 7,200.00	\$ 60,000.00	\$ 60,000.00	\$ 25,000.00	\$ 10,000.00
50200 · Property Appraisal	\$ 30,000.00	\$ 45,000.00	\$ 60,000.00	\$ 45,000.00	\$ 45,000.00
50205 · Legal Closing Costs	\$ 41,407.00	\$ 120,000.00	\$ 180,000.00	\$ 120,000.00	\$ 90,000.00
50210 · Brokerage - New Lease	\$ -	\$ -	\$ -	\$ -	\$ -
50220 · Brokerage - Sale	\$ 80,000.00	\$ 160,000.00	\$ 240,000.00	\$ 160,000.00	\$ 120,000.00
50230 · Sale of Property Closing Costs	\$ 25,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
50999 · Reclass to Balance Sheet	\$ -	\$ -	\$ -	\$ -	\$ -
50000 · Cost of Sales - Other	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total 50000 · Cost of Sales</b>	<b>\$ 2,333,747.98</b>	<b>\$ 4,855,950.09</b>	<b>\$ 4,693,445.12</b>	<b>\$ 2,617,858.35</b>	<b>\$ 2,363,247.12</b>

**Gross Profit** **\$ 1,518,724.35** **\$ 1,880,984.57** **\$ 1,178,927.15** **\$ 193,860.16** **\$ 110,447.42**

<b>Expense</b>					
60000 · Accounting Fees	\$ 80,000.00	\$ 50,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
60150 · Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -
60100 · Automobile	\$ 3,000.00	\$ 3,060.00	\$ 3,121.20	\$ 3,183.62	\$ 3,247.30
60200 · Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
60250 · Amortization	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Expense con't</b>					
60300 · Legal Fees	\$ 85,000.00	\$ 70,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
60400 · Office Expense	\$ 6,374.00				
<b>60500 · Payroll</b>					
60510 · Salary	\$ 136,309.91	\$ 221,052.08	\$ 240,773.12	\$ 245,588.59	\$ 250,500.36
60520 · Payroll Taxes	\$ 12,001.00	\$ 19,461.87	\$ 21,198.15	\$ 21,622.12	\$ 22,054.56
60530 · Employee Health Insurance**	\$ 17,219.70	\$ 24,328.50	\$ 25,950.24	\$ 25,950.24	\$ 25,950.24
60540 · Employer 401(k) Match	\$ 6,075.00	\$ 11,052.60	\$ 12,038.66	\$ 12,279.43	\$ 12,525.02
60550 · Payroll Processing Fees	\$ 1,223.10	\$ 1,528.88	\$ 1,559.45	\$ 1,590.64	\$ 1,622.45
60500 · Payroll - Other	\$ -				
<b>Total 60500 · Payroll</b>	<b>\$ 172,828.71</b>	<b>\$ 277,423.93</b>	<b>\$ 301,519.62</b>	<b>\$ 307,031.01</b>	<b>\$ 312,652.63</b>
60600 · Professional Services	\$ 12,000.00	\$ 48,000.00	\$ 33,000.00	\$ 35,000.00	\$ 37,000.00
<b>60700 · Insurance</b>					
60701 · Property	\$ 6,187.89	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
60702 · Liability	\$ 37,194.27	\$ 169,850.00	\$ 322,500.00	\$ 437,525.00	\$ 437,525.00
60700 · Insurance - Other	\$ 60,000.00	\$ 83,531.45	\$ 89,131.45	\$ 55,084.33	\$ 72,802.34
<b>Total 60700 · Insurance</b>	<b>\$ 103,382.16</b>	<b>\$ 273,381.45</b>	<b>\$ 431,631.45</b>	<b>\$ 512,609.33</b>	<b>\$ 530,327.34</b>
60800 · Telephone	\$ 3,984.00	\$ 4,980.00	\$ 5,312.00	\$ 5,312.00	\$ 5,312.00
60900 · Travel	\$ 1,200.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
61000 · Bank Service Charge	\$ 300.00	\$ -	\$ -	\$ -	\$ -
61100 · Repairs & Maintenance***	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
61200 · License and Fees	\$ 3,380.40	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
61300 · Events & Marketing	\$ 4,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
61400 · Rent Expense	\$ -	\$ 20,250.00	\$ 28,350.00	\$ 29,767.50	\$ 31,255.88
<b>Total Expense</b>	<b>\$ 476,449.27</b>	<b>\$ 765,695.38</b>	<b>\$ 921,534.27</b>	<b>\$ 1,011,503.47</b>	<b>\$ 1,038,395.14</b>
<b>OVERHEAD - expense w/o property-based insurance costs</b>	<b>\$ 433,067.11</b>	<b>\$ 575,845.38</b>	<b>\$ 579,034.27</b>	<b>\$ 553,978.47</b>	<b>\$ 580,870.14</b>
<b>% of (Total Expense + Cost of Sales)</b>	<b>15%</b>	<b>10%</b>	<b>10%</b>	<b>15%</b>	<b>17%</b>
<b>Net Ordinary Income</b>	<b>\$ 1,042,275.08</b>	<b>\$ 1,115,289.19</b>	<b>\$ 257,392.88</b>	<b>\$ (817,643.31)</b>	<b>\$ (927,947.71)</b>

<b>Other Income/Expense</b>					
<b>Other Income</b>					
<b>70000 • Investments</b>					
70100 • Interest-Savings, Short-term CD	\$ -	\$ -	\$ -	\$ -	\$ -
70000 • Investments - Other	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total 70000 • Investments</b>	\$ -				
70200 • Salvage Income	\$ 3,500.00	\$ 10,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
70300 • Rental Late Fee Income	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Income</b>	<b>\$ 3,500.00</b>	<b>\$ 10,000.00</b>	<b>\$ 20,000.00</b>	<b>\$ 10,000.00</b>	<b>\$ 10,000.00</b>
<b>Other Expense</b>					
<b>80000 • Unallocated</b>					
80001 • Refund of Prior Sec. Dep.	\$ -	\$ -	\$ -	\$ -	\$ -
80002 • Teachers/Public Safety Employees and Affordable Home Ownership Grant Program	\$ 10,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
80003 • Land Bank Buyer Incentive Pilot Program	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -
<b>Total Other Expense</b>	<b>\$ 10,000.00</b>	<b>\$ 200,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>
<b>Net Other Income</b>	<b>\$ (6,500.00)</b>	<b>\$ (190,000.00)</b>	<b>\$ (80,000.00)</b>	<b>\$ (90,000.00)</b>	<b>\$ (90,000.00)</b>

**Net Income** \$ 1,048,775.08 \$ 1,305,289.19 \$ 337,392.88 \$ (727,643.31) \$ (837,947.71)  
**Fund Balance at Year End** \$ 2,354,064.27 \$ 2,691,457.15 \$ 1,963,813.84 \$ 1,125,866.13

\*Initially all inspections were being booked to this line, which was later re-named and the two separated. This cost is actually higher than expected because the City is transferring more buildings and fewer lots than we'd anticipated.

\*\*Previously adopted budget used one line for employee benefits including 401k and health insurance split the previously budgeted amts up to more accurately reflect decreased costs

**Other Costs Not Expensed**

Costs associated with purchase of additional computers, phones, office furnishings and the like are capitalized and not reflected on our P&L (which the above budget is based on), but are capitalized and reflected on our balance sheet. We anticipate a 4/1/15 date for moving into a new office. This will require the following furnishings:

	\$	800.00
	\$	800.00
	\$	2,000.00
	\$	4,500.00
(PM's current office furniture owned by the City of Syracuse)		
	\$	500.00
	\$	1,000.00
	\$	125.00

Addition of another employee may also require upgrade to an actual server, something more advanced than the PC we're currently using as a server, or a memory upgrade at a minimum and will likely require the purchase or rental of a printer/copier than can handle increased users and has more functionality than the unit we currently own. A hire will require another computer purchase and additional software licenses, as would establishing an intern workstation. Another hire will require the purchase of another land line phone and cell phone.

Server or Memory Upgrade	\$	800.00
Phones (land line)	\$	250.00
2 computer workstations	\$	2,000.00
cell phone	\$	100.00
	\$	12,875.00

I anticipate that these costs will not exceed \$13,000 per the above estimates.



## Notes on 2014 Budget Amendment and 2015-18 Budget

### Income

#### 40000 · Government Grants

##### 40010 · City of Syracuse

- 2014 \$666,666.66 in final two disbursements from 13/14 funding  
\$833,333.33 in first two disbursements of 14/15 funding
- 2015 \$666,666.66 in final two disbursements from 14/15 funding  
\$1,000,000 in first two disbursements of 15/16 funding (assume \$2 mill in 15/16)
- 2016 \$1,000,000 in final two disbursements of 15/16 funding

The Land Bank will require some amount of continual financial support from the City and County – in addition to the 50%/5year split – in order to cover the maintenance obligations that come from such a large inventory and ought to seek other long-term dedicated funding sources in the coming years.

##### 40020 · Onondaga Civic Development Corporation

Funds from a 13/14 services agreement that were booked as income prorated over the course of the one-year engagement.

##### 40030 · Admin/Developer Fees

Fees earned (converted to unrestricted income at this point) for the administration of restricted grant funds

- 2014 \$13,200 - \$2200 \* 6 deconstructions  
\$14,102 - earned on County restricted Decon projects  
\$73,607 – developers fee earned on 16 renovations  
\$100,909 – total
- 2015 \$110,411.82 – developers’ fee earned on 24 renovations  
Assumes admin fees on demos are used to pay for subcontracted project management
- 2016 Admin fees for 8 OAG funded renovations  
Assumes admin fees on demos are used to pay for subcontracted project management

##### 40040 · Onondaga County

Restricted funds are booked as income in this line as they are expensed in lines associated with activities allowed under our grant agreement. (2015 funds anticipate \$500,000 in unrestricted grants and that remaining deconstruction funds and programmatic funds limited to Jordan Elbridge are booked as income only as expenses are incurred in 2015; further assumes another \$500,000 unrestricted in 2016 and \$250,000 in 2017 and 2018.

## Notes on 2014 Budget Amendment and 2015-18 Budget

The Land Bank will require some amount of continual financial support from the City and County – in addition to the 50%/5year split – in order to cover the maintenance obligations that come from such a large inventory and ought to seek other long-term dedicated funding sources in the coming years.

### *40060 · NY Attorney General*

Funds booked as income here as they are expensed under Demo/Deconstruction, Renovation, or other lines associated with activities allowed under our grant agreement.

2014 \$66,590 – 3 demolitions and admin fees paid to HHQ  
\$136,800 – 6 deconstructions (admin fees earned and retained by GSPDC booked in 40030)  
\$853,590 – 18 renovations (developers fees earned and retained by GSPDC booked in 40030)  
\$1,056,980 – total

2015 \$1,517,490 – 32 renovations  
\$590,000 – 21 demolitions  
\$22,600 – side lot program  
\$2,374,357 – total

2016 \$887,400 – 29 demos  
\$544,794 – 8 renovations  
\$22,600 – side lot program  
\$1,454,819 – total

### *40070 · 50%/5Year Split*

The NY Land Bank Act enables taxing jurisdictions to award a 50% share of taxes generated by properties the Land Bank returns to tax-paying status for a five year period (50%/5year) after the Land Bank disposes of the property. To date we have not requested this of the taxing jurisdictions, but plan to request it of the City and County (but not the school district since the City is mandated to pay SCSD 100% of their levy) once we start receiving less substantial annual allocations from these governmental bodies.

### *42000 · Unrestricted grants from REO*

Unrestricted cash donations mad to the Land Bank by mortgage lenders in exchange for the Land Bank's acceptance of donated REO properties

### *48000 · Side Lot Application Income*

\$25 application fee charged for side-lot purchase applications

### *49000 · Rental Income*

### *49500 · Sale of Property*

Proceeds from the sale of real estate

## **Cost of Goods Sold**

### **50000 · Cost of Sales**

#### *50010 · Property Purchase Cost*

\$151 per property for foreclosed properties. Costs are lower than projected in 2014 because the City has not foreclosed on as many properties as anticipated and the Land Bank did not negotiate any private purchases

in 2014. 2015 includes \$90,600 in planned costs of acquiring 600 foreclosed properties and budgets an additional \$100,000 for negotiated purchases.

*50020 · Recording Fees*

Until recently this only included the cost of filing bundled deeds for properties being acquired from the City of Syracuse subsequent to tax-foreclosure. The Land Bank is now being charged for the City's cost of filing tax-foreclosure deeds, as well, and this significantly increases our budget for recording fees in the coming years as the City currently files one deed per property costing approximately \$189 per residential structure and \$312 for vacant lots.

The estimates included are conservative, assuming the City will continue to pass along this cost per each individual property foreclosed to the Land Bank. However, I am optimistic that we will drive these costs down in coming years in one or both of the following ways: 1) The NY Land Bank Association plans to advocate for a legislative amendment that would exempt deeds file by land banks or on behalf of land banks from recording charges. 2) The Greater Syracuse Land Bank will advocate that the City of Syracuse bundle their tax foreclosures onto one deed, rather than filing an individual deed for each property. The City of Rochester already uses this practice and it considerably reduces their cost of foreclosing no properties.

*50030 · Initial Inspections*

\$300 per improved property at the time of acquisition (more for commercial properties)

*50031 · Periodic Inspections*

The Land Bank's property management contractors periodically inspect vacant buildings to monitor their condition and identify break-ins or illegal trash dumping; Vacant buildings = \$50 every three weeks. Vacant lots = \$30 every 6 weeks but not during mowing season when they're being visited more frequently.

These costs will grow exponentially as our inventory grows and we may consider 1) scaling back the frequency of these inspections, 2) contracting with the City to perform this service at a lower cost, since the Division of Code Enforcement already monitors vacant buildings, or 3) only periodically inspecting a random sampling of vacant buildings using Land Bank staff and relying more heavily on neighbors to call in complaints about illegal dumping, vandalism, and break-ins, or 4) contracting with neighborhood-based nonprofits to provide this monitoring at a lower cost than we currently pay to private contractors. These budgeted figures assume our existing periodic inspection procedures will undergo dramatic change to stem exponential growth in this budget line.

*50040 · Board-Up*

Board-up of broken windows, doors, and other access points for illegal entry. Costs are often most significant upon acquisition, but are periodically incurred as properties are broken into.

*50045 · Pest Extermination*

*50050 · Debris Removal*

Includes both debris illegally dumped on Land Bank properties and removal of trash and debris from interior of properties in preparation for listing on the MLS



Notes on 2014 Budget Amendment and 2015-18 Budget

*50060 · Re-Key*

Locks changed upon acquisition and/or tenants having vacated the property

*50070 · Yard Maintenance*

Includes mowing, “spring clean-up” of overgrowth, and removal of dead/damaged trees

*50080 · Snow Removal*

2015 estimate figures we may spend \$200,400 in early 2015 and an additional \$130,000 next winter in Nov-Dec. Subsequent years assume we continue the same level of service. The Land Bank shall explore other funding sources or other methods to contend with the sidewalk snow removal on a growing inventory of properties in the coming year.

*50095 · Sidewalk Replacement/Repair*

Didn't budget for this previously so it's not accurately reflected under our P&L because until recently we expensed these costs under Stabilization, but to date in 2014 we've incurred approximately \$8,100 in sidewalk replacement expenses.

*50090 · Renovation*

2014 –Includes AG renovation subsidy that gets expensed under this line (\*18 projects in2014) plus \$20,000 in other renovation costs (most of our investment in properties is expensed as Stabilization)

2015 – Includes 32 AG renovation subsidies + \$150,000 purchase/renovation subsidy from County that will be expensed under this line

*50110 · Demolition/Deconstruction*

Restricted funds from OAG and/or Onondaga County are booked as income and expensed under this line as projects are completed.

*50115 · Environmental Services*

Asbestos and lead surveys, asbestos abatement, air monitoring associated with environmental abatement. Most of these expense are associated with deconstruction projects and are covered by County Deconstruction Funds.

*50190 · Evictions*

Necessary if occupants in an uninhabitable property at the time of foreclosure are unwilling to utilize relocation assistance and occasionally for nonpayment of rent.

*50191 · Relocation Assistance*

The volume of occupied properties in deplorable condition being foreclosed on is rapidly increasing and would appear to warrant a full-time case worker from Catholic Charities. Catholic Charities offers comprehensive relocation and social services assistance to individuals and families living in these types of situations. They have been able to help many occupants of Land Bank properties at the time of foreclosure find better quality housing and to sign up for public assistance that they weren't previously utilizing. In late 2014/early 2015 I expect this issue and potentially entering into a contract with Catholic Charities will be the subject of board discussion – this budget line anticipates such a contract will be negotiated, but please note that the actual disbursement of funds is subject to our Procurement Policy.

*50200 · Property Appraisal*

Up from budgeted amt. in 2014 because of higher than expected number of sales

*50205 · Legal Closing Costs*

\$525-600 per property depending on whether there's an enforcement mortgage in place; less per property when bundles of multiple properties are transferred to one buyer

*50210 · Brokerage - New Lease*

We haven't opted to lease-up any properties with tenants other than those living in the property at the time of foreclosure

*50220 · Brokerage – Sale*

Higher than previously adopted 2014 budget because we've sold more than anticipated in 2014. Commissions are typically 6-7% or no less than \$1,000. Looking to move toward a standard 7% of no less than \$1,200 in 2015. Since many of our sales are low-value properties this averages out to about 10% of sales proceeds being paid out as commissions. While this isn't based on extensive operating experience yet, I've tentatively applied this average to the projected total sales revenues for next year.

*50230 · Sale of Property Closing Costs*

Credits issued at the time of closing in lieu of Real Estate Conditions Disclosure Form (we have received confirmation that we are exempt from the disclosure requirement and are no longer issuing this credit)

*50999 · Reclass to Balance Sheet*

The Costs above are only expensed at the time of sale. This budget does not venture to project what proportion of these costs will be expensed in the coming years and what amount will be capitalized annually.

**Payroll and Professional Services**

*60000 · Accounting Fees*

Bowers & Company CPAs – bookkeeping, reconciling books at the end of each month, pulling reports in response to periodic audits by funders and insurance providers, preparation of annual tax filings, etc. Amending bookkeeping procedures to cut time spent on data entry and will capitalize expenses based on average monthly cost per property type rather than actual expenses into each property accounted for to the penny. This is expected to cut accounting fees in half the coming year and to halt what would otherwise be an exponential increase in accounting costs tied to the size of our real estate portfolio.

*60150 · Bad Debt*

Rents not paid. No projection included in this budget.

*60100 · Automobile*

Includes mileage reimbursement, hired non-owned auto insurance, parking validation

*60200 · Depreciation*

*60250 · Amortization*

60300 · *Legal Fees*

General legal services and those costs not expensed to a particular property or associated with a real estate closing

60400 · *Office Expense*

Monthly charges for Google for Business email account servicing, website hosting service, internet usage, copies, office supplies, postage, signs have been expensed under this line in the past (will be expensed under Marketing/Events in the future), master keys copied, etc.

Not reflected here are the capitalized costs of new computers, phones, and furnishings incurred as we expand the number of employees and move into a new space.

60500 · *Payroll*

*Had previously budgeted salary, non-discretionary payroll costs (payroll taxes and processing fees now broken out into two categories) and discretionary employee benefits (health insurance and employer 401k contributions now broken out into two categories)*

60510 · *Salary*

Plan to hire an additional staff person at the beginning of 2015 Q2

60520 · *Payroll Taxes*

60530 · *Employee Health Insurance*

Budgeted for max employer contribution

60540 · *Employer 401(k) Match*

Up to 5% of salary 1:1 match of employee contributions

60550 · *Payroll Processing Fees*

Paid to Paychex

60500 · *Payroll – Other*

60600 · *Professional Services*

2014 – Web design, graphic design, and Independent Audit costs

2015 – Expenses above

+ Admin of County restricted purchase rehab program in Jordan/Elbridge

NEHDA admin fees for assisting side-lot purchasers with resubdivision

\$20,000 to hire other professional consultants as needed

60700 · *Insurance*

60701 · *Property*

60702 · *Liability*

60700 · *Insurance – Other*

Directors & Officers, Commercial GL that covers subcontracted services and NY Labor Law

## Notes on 2014 Budget Amendment and 2015-18 Budget

### 60800 · Telephone

Monthly service costs

### 60900 · Travel & Education

No funds used to date, but could cover travel, conference, and/or training costs

### 61000 · Bank Service Charge

### 61100 · Repairs & Maintenance

IT related expenses primarily

### 61200 · License and Fees

To date this has included filing fees for tax documents

### 61300 · Events & Marketing

Signs, brochures, catering for events, bus rental, etc.

### 61400 · Rent Expense

The GSPDC anticipates that it will need to move into leased office space in the spring of 2015 in order to have room to expand staff and to provide work space for temporary help or interns. We are estimating 1500 sq. ft. at \$18/sq ft for 3 quarters in 2015 and accounting for slight inflation in future years' rent costs.

## Other Income

### 70000 · Investments

Note – Given the categorization of our assets as public funds, our ability to engage in any high-yield invests is extremely limited.

### 70100 · Interest-Savings, Short-term CD

### 70200 · Salvage Income

Proceeds from the sale of salvage rights and salvaged materials on properties where demolition is pending

### 70300 · Rental Late Fee Income

A limited amount of revenue is realized in this line, but not enough to predictably budget for

## Other Expense

### 80000 · Unallocated

### 80002 · Teachers/Public Safety Employees and Affordable Home Ownership Grant Program

This had previously been offered as a credit back at the time of closing, but a change to the disposition policy earlier this year was made in order to improve the ease of program administration we would have to budget for an expenditure and offer the incentive in the form of grant funds. The budget includes \$100,000 in 'pilot' funds for 2015 to see if these groups will utilize the program.

### 80003 · Land Bank Buyer Incentive Pilot Program

The CAB and City officials have asked whether the Land Bank might ever offer grant incentives for landlord purchasers of Land Bank properties to make certain exterior upgrades. This \$100,000 of 'pilot' funding contemplates such a program, but details would have to be adopted by the board and any disbursements would adhere to the GSPDC's Procurement Policy. This could hypothetically be made available to purchasers

in the form of 'mini-grants' in a geographically targeted area for exterior investment that conform to some yet-to-be-developed design guidelines, for example. If adopted it would be a highly visible way for the Land Bank to show its impact on neighborhood reinvestment and, if executed well, could have some spillover effect into the marketability of surrounding blocks.