

**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, 2024 and 2023
Together with
Independent Auditor's Report**

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 27, 2025

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, 2024 and 2023, 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 respective financial position of the Corporation as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of an Error

As described in Note 10 to the basic financial statements, the Corporation corrected an error related to the recording of a subscription-based information technology arrangement (SBITA) at December 31, 2023 and related activity for the year ended December 31, 2023. Our opinion is not modified with respect to this matter.

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.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Responsibilities of Management for the Financial Statements (Continued)

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.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025 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 27, 2025, 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).

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)

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, 2024 showing 2023 and 2022 for comparison. Please read it in conjunction with the Corporation's financial statements and accompanying notes.

Overview of 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 Corporation'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, 2024, December 31, 2023, and December 31, 2022, respectively:

	2024	2023 (Restated)	2022
Total Net Position	\$ 3,701,451	\$ 3,634,508	\$ 3,235,077
Total Current Assets	\$ 4,067,227	\$ 4,413,392	\$ 4,873,438
Total Current Liabilities	\$ 483,918	\$ 909,527	\$ 1,745,620
Current Ratio	8.4	4.9	2.8

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.

Financial Highlights (Continued)

- Below are the Corporation's operating revenues, operating expenses, and operating income at December 31, 2024, December 31, 2023, and December 31, 2022, respectively:

	2024	2023 (Restated)	2022
Operating Revenues	\$ 5,707,596	\$ 4,580,626	\$ 5,660,657
Operating Expenses	\$ 5,839,416	\$ 4,197,743	\$ 5,572,916
Operating Income (Loss)	\$ (131,820)	\$ 382,883	\$ 87,741

- Revenues – Budget to Actual:** The Land Bank's 2024 budget anticipated revenues of \$4,760,130 and our actual revenues were \$5,707,596, a variance of \$947,466 in our favor – 20% higher than anticipated. This variance mostly consists of:
 - ~ \$493,000 in government grants (previously budgeted for 2023, but not actually spent until 2024; income is booked at the time of expense, so this income was booked in 2023. It is mostly offset by expenses.)
 - \$267,000 – the value of property foreclosed upon due to defaulted enforcement mortgages. This isn't actual cash income, it's nearly 100% offset by added expense (minus \$10,000 paid in exchange for a deed in lieu), and we don't budget for it.
- Expenses – Budget to Actual:** The Land Bank's 2024 budget anticipated \$4,805,752 in expenses and our actual expenses totaled \$5,839,416, a variance of \$1,033,665 or about 22% over budget. This is mostly comprised of:
 - ~\$253,000 in lawn maintenance
 - ~\$161,000 in environmental services
 - ~\$681,000 in impairment loss (we don't budget for this, which shows up as an expense when we write down overvalued inventory at year-end)

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

	2024	2023 (Restated)	2022
Assets:			
Current assets	\$ 4,067,227	\$ 4,413,392	\$ 4,873,438
Capital assets	64,460	89,184	33,868
Other noncurrent assets	91,013	95,687	80,126
Total assets	<u>4,222,700</u>	<u>4,598,263</u>	<u>4,987,432</u>
Liabilities:			
Current liabilities	483,918	909,527	1,745,620
Noncurrent liabilities	37,331	54,228	6,735
Total liabilities	<u>521,249</u>	<u>963,755</u>	<u>1,752,355</u>
Net position:			
Net investment in capital assets	10,232	11,765	193
Unrestricted	3,691,219	3,622,743	3,234,884
Total net position	<u>\$ 3,701,451</u>	<u>\$ 3,634,508</u>	<u>\$ 3,235,077</u>

Current Assets

Current assets at December 31, 2024 were comprised mostly of cash, restricted grant funds, and inventory. Cash on hand less any liabilities and plus contract receivables at the end of 2024 totaled \$2,912,698 sufficient to cover more than 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 2024, the Land Bank acquired 77 properties; these include 58 via City of Syracuse foreclosure proceedings, 9 defaults on enforcement mortgages (via deed in lieu or foreclosure auction), 4 purchases, and 6 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, 2024, December 31, 2023, and December 31, 2022, 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.

Summary of Revenues, Expenses, and Change in Net Position

	<u>2024</u>	<u>% of Total</u>	<u>2023</u> (Restated)	<u>% of Total</u>	<u>2022</u>	<u>% of Total</u>
OPERATING REVENUES:						
Grant and government subsidy revenue	\$ 4,222,763	73.99%	\$ 2,834,385	61.88%	\$ 4,169,224	73.65%
Sale of property	1,005,829	17.62%	1,337,040	29.19%	1,226,456	21.67%
Rental revenue	46,493	0.81%	35,270	0.77%	29,350	0.52%
Other revenue	9,275	0.16%	4,927	0.11%	4,375	0.08%
Project extension fees	62,050	1.09%	77,575	1.69%	119,010	2.10%
Contributions revenue	79,186	1.39%	74,410	1.62%	47,685	0.84%
Dev. enforcement mtg. foreclosures Defaulting on residency requirements	267,000	4.68%	182,151	3.98%	64,557	1.14%
	<u>15,000</u>	0.26%	<u>34,868</u>	0.76%	<u>-</u>	0.00%
Total operating revenues	<u>5,707,596</u>		<u>4,580,626</u>		<u>5,660,657</u>	
OPERATING EXPENSES:						
Cost of sales	3,412,806	58.45%	2,320,334	55.27%	3,790,116	68.02%
Unrealized loss on inventory	680,596	11.66%	503,816	12.00%	507,656	9.11%
Relocation assistance	47,472	0.81%	52,607	1.25%	40,544	0.73%
Special assessment	45,177	0.77%	4,030	0.10%	370	0.01%
General & admin expenses	34,073	0.58%	34,271	0.82%	50,785	0.91%
Professional services	539,200	9.23%	198,447	4.73%	200,390	3.60%
Salaries, wages and related expenses	759,629	13.01%	704,212	16.78%	640,600	11.49%
Advertising	9,922	0.17%	60,351	1.44%	9,671	0.17%
Insurance	247,607	4.24%	271,263	6.46%	286,107	5.13%
Rent	22,500	0.39%	-	0.00%	1,796	0.03%
Travel	15,710	0.27%	13,784	0.33%	16,892	0.30%
Depreciation & amortization	<u>24,724</u>	0.42%	<u>34,628</u>	0.82%	<u>27,989</u>	0.50%
Total operating expenses	<u>5,839,416</u>		<u>4,197,743</u>		<u>5,572,916</u>	
OPERATING INCOME (LOSS)	<u>(131,820)</u>		<u>382,883</u>		<u>87,741</u>	
NON-OPERATING INCOME (EXPENSES):						
Miscellaneous	<u>7,976</u>		<u>8,748</u>		<u>7,979</u>	
CONTRIBUTIONS	<u>190,787</u>		<u>7,800</u>		<u>151</u>	
CHANGE IN NET POSITION	<u>\$ 66,943</u>		<u>\$ 399,431</u>		<u>\$ 95,871</u>	

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 2024 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 demolitions and ongoing expenses associated with property maintenance. The number of full-time staff remained at 8 in 2024.

Operating Results

Below are the Corporation's operating income (loss), non-operating income (loss), contributions, change in net position, and net position at December 31, 2024, December 31, 2023, and December 31, 2022, respectively:

	2024	2023 (Restated)	2022
Operating Income (Loss)	\$ (131,820)	\$ 382,883	\$ 87,741
Non-Operating Income (Loss)	\$ 7,976	\$ 8,748	\$ 7,979
Contributions	\$ 190,787	\$ 7,800	\$ 151
Change in Net Position	\$ 66,943	\$ 399,431	\$ 95,871
Net Position	\$ 3,701,451	\$ 3,634,508	\$ 3,235,077

Capital Asset Administration

Below are the Corporation's investment in capital assets (net of accumulated depreciation) at December 31, 2024, December 31, 2023, and December 31, 2022, respectively. This investment includes furniture, equipment, computer hardware, and small amounts of software.

	2024	2023 (Restated)	2022
Capital assets, being depreciated, net:			
Furniture and equipment	\$ -	\$ -	\$ 193
Lease assets, being amortized, net:			
SBITA	64,460	82,449	-
Office space	-	6,735	33,675
Deduct:			
Short-term portion of lease liabilities	(17,365)	(23,191)	(26,940)
Long-term portion of lease liabilities	(36,863)	(54,228)	(6,735)
Total deductions	(54,228)	(77,419)	(33,675)
Net investment in capital assets	\$ 10,232	\$ 11,765	\$ 193

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 at kwright@syracuselandsbank.org.

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, 2024 and 2023

	<u>2024</u>	<u>2023</u> (Restated)
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,622,973	\$ 2,552,534
Restricted cash	156,673	601,638
Accounts receivable	1,800	500
Grant and government subsidy receivable	616,970	575,760
Note receivable, current portion	6,930	7,384
Inventory	585,268	607,209
Prepaid expenses	71,613	68,367
Down payment on purchase	<u>5,000</u>	<u>-</u>
Total current assets	<u>4,067,227</u>	<u>4,413,392</u>
NONCURRENT ASSETS:		
Note receivable, net of current portion	88,513	95,687
Other assets	2,500	-
Capital assets, net	<u>64,460</u>	<u>89,184</u>
Total noncurrent assets	<u>155,473</u>	<u>184,871</u>
Total assets	<u>4,222,700</u>	<u>4,598,263</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	52,449	202,401
Accrued expenses	184,771	43,654
Interest payable	540	940
Lease liability, current portion	-	6,735
SBITA liability, current portion	17,365	16,456
Compensated absences, current portion	2,745	-
Grant and government subsidy revenue advance	150,615	518,344
Contribution revenue advances	6,058	83,294
Down payment on property sale	62,944	31,000
Other liabilities	<u>6,431</u>	<u>6,703</u>
Total current liabilities	<u>483,918</u>	<u>909,527</u>
NONCURRENT LIABILITIES:		
Compensated absences, net of current portion	468	-
SBITA liability, net of current portion	<u>36,863</u>	<u>54,228</u>
Total noncurrent liabilities	<u>37,331</u>	<u>54,228</u>
Total liabilities	<u>521,249</u>	<u>963,755</u>
NET POSITION		
Net investment in capital assets	10,232	11,765
Unrestricted	<u>3,691,219</u>	<u>3,622,743</u>
Total net position	<u>\$ 3,701,451</u>	<u>\$ 3,634,508</u>

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, 2024 and 2023

	<u>2024</u>	<u>2023</u> (Restated)
OPERATING REVENUES:		
Grant and government subsidy revenue	\$ 4,222,763	\$ 2,834,385
Sale of property	1,005,829	1,337,040
Rent revenue	46,493	35,270
Project extension fees	62,050	77,575
Contributions revenue	79,186	74,410
Development enforcement mortgage foreclosures	267,000	182,151
Defaulting on residency requirements	15,000	34,868
Other revenue	<u>9,275</u>	<u>4,927</u>
 Total operating revenues	 <u>5,707,596</u>	 <u>4,580,626</u>
OPERATING EXPENSES:		
Cost of sales	3,412,806	2,320,334
Unrealized loss on inventory	680,596	503,816
Relocation assistance	47,472	52,607
Special assessment	45,177	4,030
Salaries, wages and related expenses	759,629	704,212
Insurance	247,607	271,263
Professional services	539,200	198,447
General and administrative expenses	34,073	34,271
Rent	22,500	-
Advertising	9,922	60,351
Depreciation and amortization	24,724	34,628
Travel	<u>15,710</u>	<u>13,784</u>
 Total operating expenses	 <u>5,839,416</u>	 <u>4,197,743</u>
 OPERATING INCOME (LOSS)	 <u>(131,820)</u>	 <u>382,883</u>
NON-OPERATING INCOME:		
 Miscellaneous income	 <u>7,976</u>	 <u>8,748</u>
 INCOME (LOSS) BEFORE CONTRIBUTIONS	 <u>(123,844)</u>	 <u>391,631</u>
CONTRIBUTIONS:		
Community donated funds	11,287	-
Parks conservancy	2,000	-
Inventory contributions	<u>177,500</u>	<u>7,800</u>
 Total contributions	 <u>190,787</u>	 <u>7,800</u>
 CHANGE IN NET POSITION	 66,943	 399,431
 NET POSITION - beginning of year	 <u>3,634,508</u>	 <u>3,235,077</u>
 NET POSITION - end of year	 <u>\$ 3,701,451</u>	 <u>\$ 3,634,508</u>

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, 2024 and 2023

	<u>2024</u>	<u>2023</u> (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grant and government subsidies	\$ 3,813,824	\$ 1,775,154
Cash received from contributions	1,950	57,000
Cash received from property sales	1,013,457	1,316,295
Cash received from rent	42,693	35,170
Cash received from other revenue	9,275	4,927
Cash received from defaulting on residency requirements	15,000	34,868
Cash received from project extensions	62,050	77,575
Cash paid for inventory	(3,623,280)	(2,903,897)
Cash paid for general and administrative expenses	(41,212)	(38,639)
Cash paid for professional services	(522,978)	(199,480)
Cash paid for salaries, wages and related expenses	(761,711)	(703,548)
Cash paid for advertising	(9,922)	(60,351)
Cash paid for insurance	(250,853)	(269,713)
Cash paid for rent	(22,500)	-
Cash paid for relocation assistance and special assessment	(82,681)	(56,637)
Cash paid for travel	(15,710)	(13,784)
	<u>(372,598)</u>	<u>(945,060)</u>
Net cash from operating activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from cash contributions	13,287	-
Cash payments for principal portion of lease liability	(6,735)	(26,940)
Cash payments for principal portion of SBITA liability	(16,456)	(19,260)
	<u>(9,904)</u>	<u>(46,200)</u>
Net cash for capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net miscellaneous income (expense)	<u>7,976</u>	<u>8,748</u>
Net cash from investing activities	<u>7,976</u>	<u>8,748</u>
CHANGE IN CASH	(374,526)	(982,512)
CASH - beginning of year	<u>3,154,172</u>	<u>4,136,684</u>
CASH - end of year	<u>\$ 2,779,646</u>	<u>\$ 3,154,172</u>
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION:		
Cash	\$ 2,622,973	\$ 2,552,534
Restricted cash	<u>156,673</u>	<u>601,638</u>
Total	<u>\$ 2,779,646</u>	<u>\$ 3,154,172</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (131,820)	\$ 382,883
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:		
Depreciation and amortization	24,724	34,628
Changes in:		
Accounts receivable	(1,300)	(100)
Grant and government subsidy receivable	(41,210)	(575,760)
Note receivable	7,628	(20,745)
Inventory*	199,441	64,828
Prepaid expenses	(3,246)	1,550
Down payment on property sale	(5,000)	-
Other assets	(2,500)	-
Accounts payable	(149,952)	131,933
Accrued expenses	141,117	(466,457)
Interest payable	(400)	940
Grant and government subsidy revenue advance	(367,729)	(483,471)
Contribution revenue advances	(77,236)	(17,410)
Compensated absences	3,213	-
Other liabilities	<u>31,672</u>	<u>2,121</u>
Net cash from operating activities	<u>\$ (372,598)</u>	<u>\$ (945,060)</u>

* Changes in inventory documented above include non-cash transactions for donated inventory at a value totaling \$177,500 in 2024 and \$7,800 in 2023.

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)

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

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

Cash

Custodial credit risk related to cash deposits is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits.

The Corporation had a bank balance of \$2,742,018 at December 31, 2024 of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$2,492,018 was collateralized with securities held by the pledging financial institution in the Corporation's name. A bank balance of \$3,171,797 was held at December 31, 2023 of which \$250,000 was insured by the FDIC and \$2,921,797 was collateralized with securities held by the pledging financial position in the Corporation's name.

Restricted Cash

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, 2024 and 2023.

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, 2024 and 2023.

Notes Receivable

The Corporation holds two notes receivable related to property sales. See Note 4 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 one-half the assessed value of the property except for vacant lots and demolition candidates, which are valued at \$151, properties listed for sale, which are valued at listing price, and properties under contract that have not yet closed, which are valued at their contract sales 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 furniture and equipment and 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. Assets will be depreciated using the straight-line method.

Capital assets at December 31, 2024 also include a subscription-based information technology arrangement (SBITA) asset with a term greater than one year. The Corporation does not implement a capitalization threshold for these assets. SBITA assets are amortized on a straight-line basis over the term of the agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Contribution Revenue Advances

In certain instances, the Corporation receives contributions revenue prior to meeting the definition of earned. Such amounts are reflected as a liability, contribution revenue advances, until amounts are deemed earned and then recognized as revenue.

Down Payment on Property Sale

In certain instances, the Corporation receives down payments for properties prior to meeting the definition of earned. Such amounts are reflected as a liability, down payment on property sale, 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, rental revenue, project extension fees, contributions revenue, development enforcement mortgage foreclosures, and defaulting on residency requirements. 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.

Development Enforcement Mortgage Foreclosures

A majority of properties the Corporation sells come with an enforcement mortgage that requires the buyer to complete renovations within a certain period of time, usually twelve months. When a project is not completed in time, the Corporation may either charge project extension fees to allow for more time, or pursue a default on the enforcement mortgage. In these instances where the property deed is transferred back to the Corporation, the Corporation records revenue equal to the market value of the property.

Defaulting on Residency Requirements

Some properties the Corporation sells (including those in the Homeownership Choice Program) require that the buyer occupy the house as their primary residence for a period of five years or sell it to someone else who will. If they fail to comply with this, they are in default on their Residency Enforcement Mortgage. At this point, the buyer may pay off the prorated remainder of the residency mortgage, sell to someone who will assume the remainder of the residency obligation, or the Corporation may foreclose on the property. In these instances where the buyer pays off the prorated remainder of the residency mortgage, the Corporation recognizes revenue equal to the prorated amount.

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, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Contributions

The Corporation received contributions of property (recorded as inventory contributions equal to the market value of the property) during the fiscal years ending December 31, 2024 and 2023. 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 amortization, 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, 2024 and 2023.
- 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. CAPITAL ASSETS

The Corporation's capital assets activity for the year ended December 31, 2024 was as follows:

	Balance at January 1 (Restated)	Additions	Deductions	Balance at December 31
Capital Assets, being depreciated:				
Furniture and equipment	\$ 32,831	\$ -	\$ -	\$ 32,831
Total Capital Assets, being depreciated	<u>32,831</u>	<u>-</u>	<u>-</u>	<u>32,831</u>
Less Accumulated Depreciation for:				
Furniture and equipment	<u>(32,831)</u>	<u>-</u>	<u>-</u>	<u>(32,831)</u>
Total Accumulated Depreciation	<u>(32,831)</u>	<u>-</u>	<u>-</u>	<u>(32,831)</u>
Total Capital Assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Lease Assets, being amortized:				
SBITA	89,944	-	-	89,944
Office space	<u>60,615</u>	<u>-</u>	<u>(60,615)</u>	<u>-</u>
Total Lease Assets, being amortized	<u>150,559</u>	<u>-</u>	<u>(60,615)</u>	<u>89,944</u>
Less Accumulated Amortization for:				
SBITA	(7,495)	(17,989)	-	(25,484)
Office space	<u>(53,880)</u>	<u>(6,735)</u>	<u>60,615</u>	<u>-</u>
Total Accumulated Amortization	<u>(61,375)</u>	<u>(24,724)</u>	<u>60,615</u>	<u>(25,484)</u>
Total Lease Assets, being amortized, net	<u>89,184</u>	<u>(24,724)</u>	<u>-</u>	<u>64,460</u>
Capital Assets, net	<u>\$ 89,184</u>	<u>\$ (24,724)</u>	<u>\$ -</u>	<u>\$ 64,460</u>

3. CAPITAL ASSETS (Continued)

The Corporation's capital assets activity for the year ended December 31, 2023 was as follows:

	Balance at January 1	Additions	Deductions	Balance at December 31 (Restated)
Capital Assets, being depreciated:				
Furniture and equipment	\$ 32,831	\$ -	\$ -	\$ 32,831
Total Capital Assets, being depreciated	<u>32,831</u>	<u>-</u>	<u>-</u>	<u>32,831</u>
Less Accumulated Depreciation for:				
Furniture and equipment	<u>(32,638)</u>	<u>(193)</u>	<u>-</u>	<u>(32,831)</u>
Total Accumulated Depreciation	<u>(32,638)</u>	<u>(193)</u>	<u>-</u>	<u>(32,831)</u>
Total Capital Assets, being depreciated, net	<u>193</u>	<u>(193)</u>	<u>-</u>	<u>-</u>
Lease Assets, being amortized:				
SBITA	-	89,944	-	89,944
Office space	<u>60,615</u>	<u>-</u>	<u>-</u>	<u>60,615</u>
Total Lease Assets, being amortized	<u>60,615</u>	<u>89,944</u>	<u>-</u>	<u>150,559</u>
Less Accumulated Amortization for:				
SBITA	-	(7,495)	-	(7,495)
Office space	<u>(26,940)</u>	<u>(26,940)</u>	<u>-</u>	<u>(53,880)</u>
Total Accumulated Amortization	<u>(26,940)</u>	<u>(34,435)</u>	<u>-</u>	<u>(61,375)</u>
Total Lease Assets, being amortized, net	<u>33,675</u>	<u>55,509</u>	<u>-</u>	<u>89,184</u>
Capital Assets, net	<u>\$ 33,868</u>	<u>\$ 55,316</u>	<u>\$ -</u>	<u>\$ 89,184</u>

4. NOTES 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.

On August 16, 2023, the Corporation entered into a note receivable agreement for \$23,468 to be paid back in monthly installments of \$479, including interest at 8.25% through August 1, 2028.

The notes receivable balances totaled \$95,443 and \$103,071 at December 31, 2024 and 2023, respectively.

Maturities of the notes receivable at December 31, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,930	\$ 7,582	\$ 14,512
2026	7,743	6,095	13,838
2027	8,366	5,472	13,838
2028	7,106	4,817	11,923
2029	3,639	4,456	8,095
2030-2034	22,540	17,932	40,472
2035-2039	31,953	8,518	40,471
2040	<u>7,166</u>	<u>253</u>	<u>7,419</u>
Total	<u>\$ 95,443</u>	<u>\$ 55,125</u>	<u>\$ 150,568</u>

5. 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.

6. TRANSACTIONS WITH PRIMARY GOVERNMENT

The Corporation and the City of Syracuse, New York entered into various grant agreements in 2024 and 2023. The Corporation recognized \$4,222,763 and \$2,834,385 of grant and government revenue for the years ended December 31, 2024 and 2023, respectively, of which \$1,162,707 and \$1,687,002 related to these agreements.

At December 31, 2024 and 2023, \$342,218 and \$318,587 were due to the Corporation from the City, respectively. These amounts are included in grant and government subsidy receivable on the statements of net position.

7. 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 ten years after the last loan is issued. The last loan was issued on October 14, 2016.

8. SBITA

The Corporation has a five-year subscription agreement for rights to use ePropertyPlus, a cloud-based property management application. The agreement automatically renews for additional periods, unless notice of non-renewal is given by either party at least thirty days before the conclusion of the subscription term. Payments are made annually at the beginning of each subscription year.

Description	Inception Date	Term (in months)	Interest Rate / Discount Rate	Total Initial Lease Liability
ePropertyPlus	8/28/2023	60	3.97%	\$ 89,944

Activity of SBITA liability for the year ended December 31, 2024 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
\$ 70,684	\$ -	\$ (16,456)	\$ 54,228	\$ 17,365

Activity of SBITA liability, as restated, for the year ended December 31, 2023 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
\$ -	\$ 89,944	\$ (19,260)	\$ 70,684	\$ 16,456

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
2025	\$ 17,365	\$ 2,192	\$ 19,557
2026	18,066	1,490	19,556
2027	18,797	760	19,557
Total	\$ 54,228	\$ 4,442	\$ 58,670

9. RECLASSIFICATIONS

Certain amounts in the 2023 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassifications did not have any effect on total net position or change in net position as previously reported.

10. RESTATEMENT

Correction of an Error

During 2024, the Corporation discovered a subscription-based information technology arrangement that was not reported appropriately under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*.

As a result of the correction of this error, the Corporation's prior year assets, liabilities, expenses and ultimately net position were restated, as shown below:

	<u>Assets</u>	<u>Liabilities</u>	<u>Expenses</u>	<u>Net Position</u>
Balance at December 31, 2023, as previously reported	\$ 4,515,814	\$ (892,131)	\$ 4,208,568	\$ (3,623,683)
Restatement of beginning balance for correction of error	<u>82,449</u>	<u>(71,624)</u>	<u>(10,825)</u>	<u>10,825</u>
Balance at December 31, 2023, as restated	<u>\$ 4,598,263</u>	<u>\$ (963,755)</u>	<u>\$ 4,197,743</u>	<u>\$ (3,634,508)</u>

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 27, 2025

To the Board of Directors of the
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, 2024, 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 27, 2025.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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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***
(Continued)

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*.

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.

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

March 27, 2025

To the Board of Directors of the
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 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, 2024, 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 27, 2025.

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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