



Greater Syracuse Land Bank 2021 Annual Report to Syracuse Common Council

Delivered April 5, 2022

As required by section 1612 of the New York Land Bank Act:

(c) In addition to any other report required by this chapter, the Land Bank, through its chairperson, shall annually deliver, in oral and written form, a report to the municipality. Such report shall be presented by March fifteenth of each year to the governing body or board of the municipality. The report shall describe in detail (1) the projects undertaken by the Land Bank during the past year, (2) the monies expended by the Land Bank during the past year, and (3) the administrative activities of the Land Bank during the past year. At the conclusion of the report, the chairperson of the Land Bank shall be prepared to answer the questions of the municipality with respect to the projects undertaken by the authority during the past year, the monies expended by the municipality during the past year, and the administrative activities of the municipality during the past year.

I. Introduction

The Greater Syracuse Land Bank is a local public authority created by the City and County in 2012 to acquire vacant and abandoned properties and facilitate their return to productive use. The Land Bank is the default recipient of properties foreclosed upon by the City of Syracuse for delinquent taxes. Our community already had strong not-for-profit affordable housing developers, but they can only do a limited number of projects each year based on available grant funds. The Land Bank was designed to complement their work and to take control of abandoned properties sooner in the cycle of abandonment:

- so we can address the scale of abandoned properties with “interim” strategies such as preventive maintenance
- take these properties off the rolls temporarily so the City and County aren’t sending tax bills to properties they know don’t pay
- by taking all the City’s foreclosures, help make the City a better collector of their own delinquent taxes and County taxes on City properties.
- by default, engage in site assembly (making bigger, more attractive sites available for development) and make site control available for these developers while they put together grant applications
- hold title to hundreds of shovel-ready projects, enabling us to apply for state and federal grants
- engage in land banking on their behalf so we can hold properties tax exempt until they’re ready to start construction (allowing more grant funds to go into brick and mortar expenses; for example, on Housing Visions’ Butternut Street project this saved them nearly \$50k in carrying costs)
- position properties to attract private purchasers – by taking title proactively we clean them out and draft specs, so buyers can use traditional financing and know what they’re getting into, enabling us to expand

the number of properties redeveloped each year to leverage private investment in renovations and return a greater number of properties to tax-paying status

It took decades of neglect and property abandonment for our neighborhoods to get this way, and we are making significant progress, but it will take a sustained effort, and sustained public investment, to reposition our local real estate market. The partnership between the Land Bank and the City is working:

- Since the City started issuing foreclosure notices to the ‘backlog’ of 4,000 seizable properties in 2012, they have collected ~\$20.5 million of overdue receivables over and above historic collection rates. Presumably, a corresponding \$13.7 million above historical levels has been collected on behalf of the County through this effort. This revenue is generated by the properties that pay and avoid foreclosure.
- In addition, we have sold over 1,150 properties post-foreclosure, leveraging over \$42 million in private renovation investment and those properties. Now returned to the tax rolls, these sold properties generate over \$1.8 million/year in local property tax.
- With \$8.5 million invested by the City of Syracuse and \$2.6 million from Onondaga County, the Land Bank has been able to attract and leverage approx. \$40 million in other grants from federal, state & local sources. These funds support renovations, new construction, demolition, and other neighborhood revitalization activities.
- Of the 2,038 properties conveyed to us so far, we have addressed 72% via sale or demolition.
- The number of residential vacant properties in the City has decreased by 20% since the Land Bank was established.¹
- Over time, we’ve been able to assemble larger sites for new development and an inventory of buildable lots for infill construction. It often takes several years of foreclosures and property purchases to assemble larger sites that are better able to attract new development, but the Land Bank’s low carrying costs enable us to patiently go about this pre-development work. We’re ready to go with shovel ready sites for commercial and residential development – including at least five half-acre commercial sites and hundreds of buildable residential lots. This puts our community development and business development partners in a stronger position when applying for grants and other funding.
- The ~883 properties still held in our inventory used to be tax-delinquent and the City would cite property owners for neglected maintenance and then bill them for trash pickup, mowing, board-ups, etc. Post-foreclosure, responsibility for maintenance and cleanup is transferred to the Land Bank. While that doesn’t result in immediate renovation and beautification, it has transferred a significant maintenance obligation off the City’s books. The Land Bank is able to perform many of these tasks at a much lower unit cost than can be achieved by the City.

¹ According to the latest data from the City’s Department of Neighborhood & Business Development.

II. Annual Report

(1) Projects undertaken in 2021

A. Acquisitions

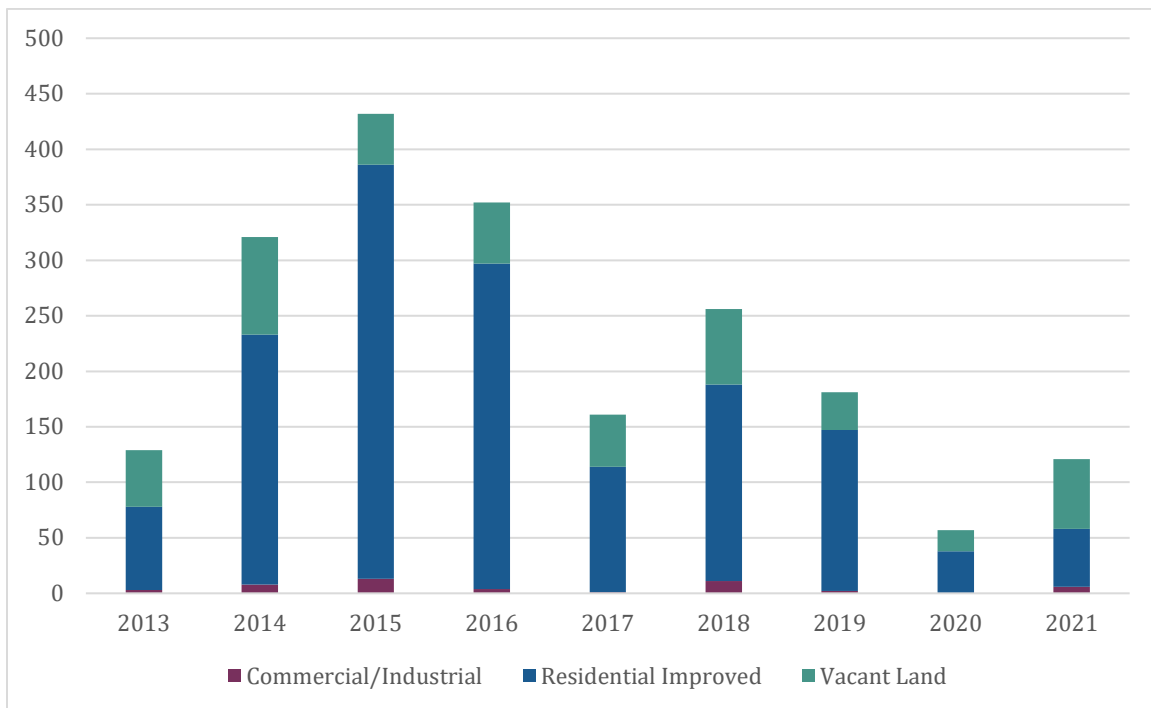
The Land Bank acquired 121 properties in 2021.

Source:

Default on Enforcement Mortgage	4
Donation - Bank	1
Donation - Private	2
Purchase	16
Tax-Foreclosure - City	87
Transfer - City-Owned	11
Total	121

Property Type:

Commercial	4
Industrial	2
Religious Structure	1
Single Family	31
Three Family	3
Two Family	12
Vacant Lot	68
Total	121



We have continued to raise concern about the slow pace of foreclosures. This improved somewhat in 2021 compared to 2020 (although most of the increased volume was vacant lots), but was still far short of the peak years of 2014-16 and the City still hasn't issued a large batch of foreclosure notices since late 2019, and the backlog of seizable properties we endeavored to catch up with, is growing again. We anticipate at some point the pace of foreclosures will decrease because we're all caught up with the seizable backlog, but that is not currently the case.

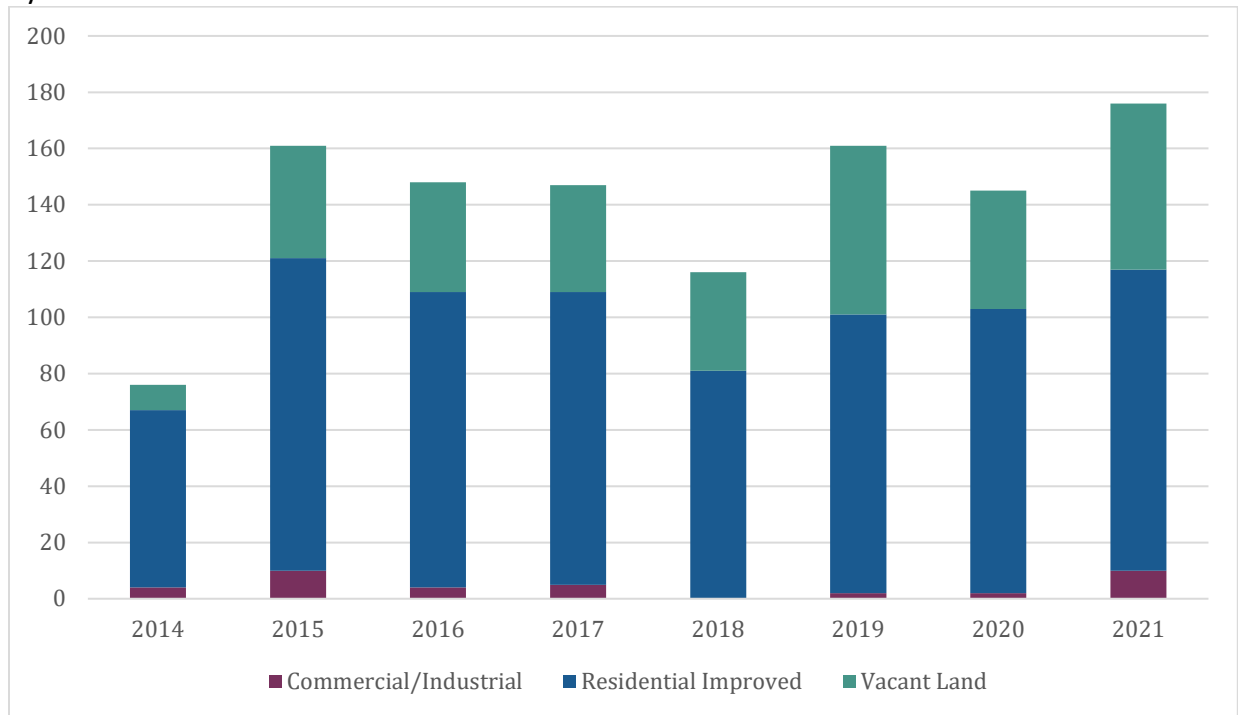
Again, we are encouraging the City to quicken the pace of foreclosures for the following reasons:

- More aggressive pace of foreclosures will benefit the City by improving collection of delinquent taxes paid by those who receive notices and pay to avoid foreclosure.
- More timely issuance of foreclosure notices will benefit homeowners who will be less delinquent at the time they receive a notice and more likely able to pay the redemption amount.

- We need to increase unrestricted sales revenue to shrink our annual operating deficit. Other ways to shrink this deficit is to obtain more financial support from the City for property maintenance expenses, or to cut back on property maintenance expenses. Without significant assistance from the City to cover property maintenance expenses, we're projected to run out of unrestricted cash during the City's 2021-22 fiscal year.
- Neighbors often inquire about seizable properties, eager for the Land Bank to stabilize the property and quickly get it on the market. We hate to leave them waiting and would like to return these to the tax rolls sooner rather than later.
- Customers complain that the quality of our listings has declined and there are fewer buildings in "good" condition to choose from.
- It often takes years to assemble sites to make them more attractive for new development. We are working to help the City prioritize these parcels so that we can get more clusters listed as soon as possible. Given the recent improvements in the Syracuse real estate market, we are seeing increased interest in new construction sites from the private sector. We'd rather get these properties assembled and on the market as soon as possible.

B. Sales

The Land Bank completed a record number of sales in 2021: 176 properties. In 2020, we had ~120 active listings at any given time. Since we've gotten very little new inventory into the Land Bank, we are now hovering around ~50 active listings at any given time. Buyers complain that we don't have the quality of listings that we used to, but record demand in 2020 and 2021 enabled us to continue to sell properties, many of which wouldn't have previously been marketable.



2021 sales included:

Commercial/Industrial Buildings	10
Residential Buildings	107
Vacant Land	59
	176

To date, the Land Bank has sold 1,156 properties – 1,131 in the City of Syracuse. These are leveraging over \$42 million in private renovation investment, effectively crowdfunding revitalization:

Geography	# Sold	Private Investment Leveraged
Downtown	2	\$ 4,823,953.00
Eastside	67	\$ 1,992,581.75
Eastwood	40	\$ 1,396,727.00
Lakefront	4	\$ 82,000.00
Northside	304	\$ 9,744,202.91
Southside	412	\$ 13,587,307.36
Valley	65	\$ 2,350,382.75
Westside	237	\$ 7,879,803.70
Outside of City	25	\$ 486,700.00
Total	1,156	\$ 42,343,658.47

Proceeds from the sale of property totaled ~\$1.3 million in 2021 and for the first time since 2016, the Land Bank did not run a deficit (although we would have roughly broken even if not for \$120,000 in PPP loan forgiveness).

Year	Gross Sales Proceeds	Total Sold	Net Income*	Buildings Sold	Average Price Per Building Sold
2014	\$ 965,015	76	\$ 1,613,793	67	\$ 14,403
2015	\$ 1,481,447	161	\$ 1,232,923	121	\$ 12,243
2016	\$ 1,725,545	148	\$ 588,073	109	\$ 15,831
2017	\$ 1,378,313	147	\$ (198,085)	109	\$ 12,645
2018	\$ 1,014,853	116	\$ (806,619)	81	\$ 12,529
2019	\$ 1,559,798	163	\$ (110,267)	103	\$ 15,144
2020	\$ 1,035,660	148	\$ (840,726)	106	\$ 9,770
2021	\$ 1,330,596	176	\$ 144,490	117	\$ 11,373

*Net income reflects the net of all revenue and expenses, not just sales proceeds.

The Land Bank's strategy of acquiring properties and marketing them in as-is condition for buyers to renovate is successfully leveraging private investment in neighborhood revitalization. To date, the Land Bank has sold over 1,150 properties and approximately 100 more sales are pending closing. **Cumulatively, properties sold by the Land Bank to date are generating approximately \$1.8 million per year in local property taxes and have leveraged over \$42 million in private renovation investment.**

Since the City started issuing foreclosure notices to the 'backlog' of 4,000 seizable properties in 2012, they have collected approx. \$20.5 million more of overdue receivables (delinquent taxes), and assuming a proportionate increase, the County should have received \$13.7 million from City properties above historic collection levels.

Buyers are required to complete the mandatory scope of renovations and sign an enforcement mortgage agreement at the time of purchase, which is not discharged until the renovations are complete. Of the ~1,150

properties sold to date, 15 have been taken back by the Land Bank due to a default on their enforcement mortgage. Six of these has already been re-sold and two are under contract. **The enforcement mortgage mechanism works and guarantees more predictable, better quality results than an auction.**

People are often surprised to learn that we hold very few structures in inventory that aren't demolition candidates, listed for sale, or sale pending with a buyer under contract Here we've broken them out by status:

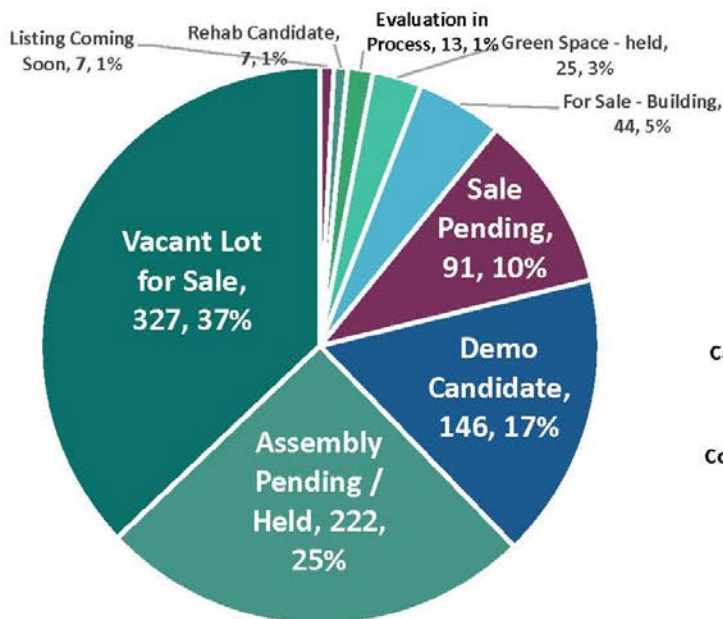
Hold for Site Assembly/ Planned Project	197	22%
Demo Candidate*	142	16%
Evaluation in Process	6	1%
Rehab Candidate	13	1%
Listing Coming Soon	9	1%
For Sale - Building	56	6%
For Sale - Building Site	204	23%
For Sale - Vacant Lot	128	15%
Held for Green Space/Garden	25	3%
Sale Pending	102	12%
Total	882	

*23 additional properties are demolition candidates but their status is Hold for Site Assembly. 90 of our 162 demo candidates are already under contract to come down this year and an additional 20 are currently out to bid.

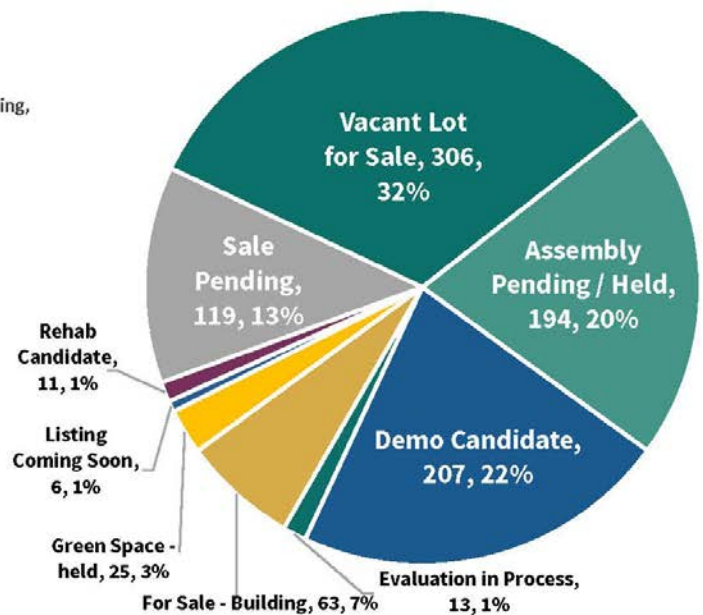
Here you can see how status as a proportion of total inventory changed over the past year.

12/31/2021

12/31/2020



882 Properties



944 Properties

C. Renovations/New Construction

The Land Bank received just over \$9.6 million from the NY OAG's Community Revitalization Initiative (CRI) program, more than any other land bank in the state, largely because we proactively acquire properties and were able to show the funders that we had shovel ready projects. This program has now come to a close. The NY Land Bank Association is actively lobbying NYS for a sustained program like CRI that will provide capital funds for land banks across the state to demo, renovate, and build new homes.

CRI Round	Amt.	Demolitions	Rehab or New Construction
1	\$ 3,000,000.00	20	50
2	\$ 1,971,533.00	23	18
3	\$ 2,000,000.00	56	8
4	\$ 2,000,000.00	56	8
4.2	\$ 660,000.00	11	5
total	\$ 9,631,533.00	166	89

The last five new construction projects funded by CRI were completed in 2021 (all of these were also part of the City's Resurgent Neighborhood Initiative). These were single-family homes constructed by Home HeadQuarters and sold to income-qualified owner-occupants:

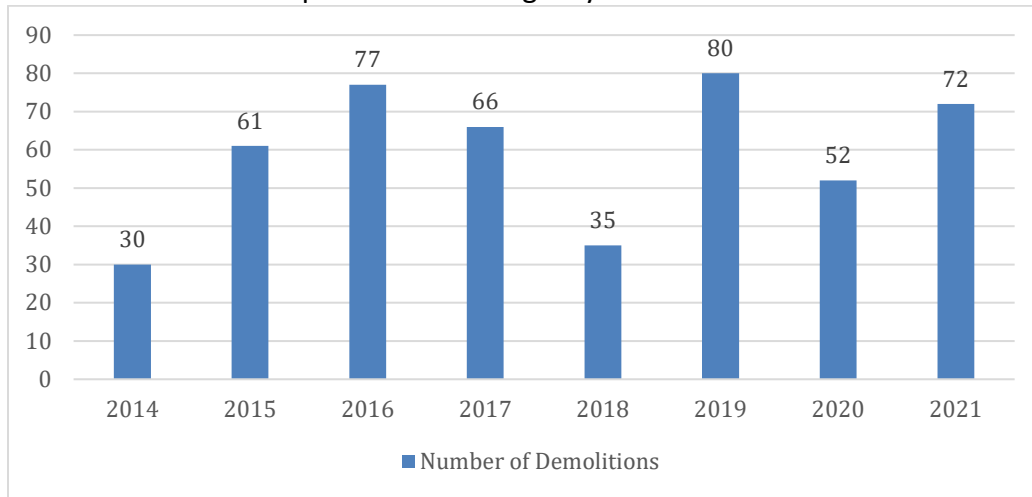
- 200 Stuart
- 135 Baker
- 202 Woodland
- 214 Woodland
- 230 Woodland

The Land Bank spent considerable time in 2020 and 2021 (and continues to do so) assembling sites for new construction of single- and two-family homes planned for the City's Resurgent Neighborhood Initiative. Most of these construction sites involve a resubdivision making two lots into one site or three lots into two, etc. to make lots large enough for modern construction and living standards. Our board just accepted an offer from Housing Visions for sites where they will build the first 16 two-family homes under that program. Jubilee Homes is currently building two single-family homes on MLK West, which will be sold to owner-occupants under the RNI program, and they have five more sites under contract to buy from us, which they plan to build on later this year.

The Land Bank's primary strategy to date to complete a large volume of renovations has been to attract well-screened private buyers who are required to renovate within a set period of time per an enforcement mortgage. This strategy has proved an effective way to leverage private investment for mission-related activities (see above re: over \$42 million in private renovation investment); although it is rare that we can attract private investment to pay for demolitions (see below). That said, many of our buyers have struggled to manage these renovation projects (especially those that have another full time job or aren't in the construction industry) and to adapt when unforeseen issues arise (as they often do with older buildings). We look forward to RNI putting more move-in ready homes on the market. We are also seeing more flippers take an interest in renovating homes for resale to owner-occupants as Syracuse home values increase.

D. Demolitions

The Land Bank completed 72 demolitions in 2021 and has completed 485 date. Each year we do as many as grant funds allow and often must complete a few emergency demolitions with unrestricted cash:



To do so, the Land Bank has utilized over \$9.6 million to date in grant funds from a variety of sources:

Source	Total
CDBG	\$ 1,205,418.82
City	\$ 1,000,000.00
County	\$ 520,000.00
CRI (AG)	\$ 4,161,284.00
SIDA	\$ 1,000,000.00
County CARES	\$ 250,000.00
City CARES	\$ 513,225.00
City ARPA (spent in 2021)	\$ 1,024,657.27
buyers/donors	\$ 243,750.00
	\$ 9,918,335.09

In addition to the restricted funds listed above, in 2016 the Land Bank spent over \$1 million in unrestricted cash on demolitions. The average demolition is costing ~\$27,000 as prices have slightly increased due to increased cost of trucking and tipping fees stemming from fuel prices.

Demolition of blighted buildings is a key part of our site assembly process, which is key to the Land Bank amassing shovel ready sites. Removing the blighted buildings also removes a drag on surrounding property values and high-quality new construction will help increase property values in distressed areas, helping long-time homeowners in those neighborhoods grow home equity.

E. Why engage in Land “Banking”?

Even without sufficient demolition funds secured to address the number of demolition candidates held in inventory, it still makes sense for the Land Bank to hold these properties until demo funds become available rather than leaving them on the seizable list for a prolonged period of time:

1. The City continues to send tax bills to the property until the foreclosure is completed and must make the SCSD whole during that time so the City loses money every quarter these properties remain taxable, but not yet foreclosed.

For example, the sum of assessed values at the time of acquisition for all demo candidates the Land Bank currently holds is approx. \$6.5 million. Prior to foreclosure, these properties would be issued City/School tax bills each year even though they were unlikely to pay. Those bills would total approx. \$209,779 of which the City collected \$0, but was still obligated to pay \$136,757 to the Syracuse City School District because the properties were still taxable. It doesn't make sense to postpone foreclosure and continue to bill properties that we know will not pay because not only does it mean \$0 collections for the City, leaving uncollectable properties on the rolls actually puts the City in the negative because they make SCSD whole.

2. The City maintains the property and bills the owner (who won't pay) for these services. Post-foreclosure the Land Bank can provide those services more cost effectively than the City can (\$54 v. \$12 to mow a lawn; \$200 v. \$30 to board a window) plus the Land Bank shovels the sidewalks, a service which the City does not provide on seizable properties.

There has been some discussion of whether the Land Bank is taking on too much inventory. This inventory of abandoned homes is here in our community and it's become the public's responsibility to maintain them whether or not they've been foreclosed on yet. The Land Bank can provide that service more cost effectively.

3. The Land Bank files a trespass affidavit against the property enabling the Syracuse Police Department to arrest people on the spot and we are a cooperative local owner willing to work with Codes, DPW, SPD, and SFD to address problems as they arise.
4. Holding demo candidates in inventory makes us very competitive grant applicant applicants. We have "shovel ready" demos whereas other land banks might take 9-12 months to take title before they can start demos. We've brought home more AG money than any other land bank and this is partly why.
5. Proactively foreclosing enables us to assemble more attractive sites for new development and, as those opportunities become apparent, we can prioritize demos to get these properties to market.

Properties acquired over the past eight years are now providing the site control needed for the City's Resurgent Neighborhoods Initiative, which will include the construction of 200 new units of affordable housing.² Land banking is making thoughtful planned development possible, although when they started taking title to these properties they only knew that the Land Bank could be a better interim steward than their tax-delinquent property owners and that public site-control would be useful in the long-term.

² <https://www.syracuse.com/news/2020/01/syracuse-to-revive-neighborhoods-with-200-new-homes-for-low-income-buyers-renters.html>

(2) Monies expended in 2021

Our final, audited, 2021 Profit & Loss Statement and Balance Sheet as of 12/31/21 are attached.

Our balance sheet estimates the value of properties held at ~\$526,000, but this does not reflect long-term liabilities associated with maintaining these properties.

The Land Bank's work generates a wide array of benefits: making the City a more effective collector of delinquent taxes for them and the County, properties returned to the rolls pay previously uncollectable on-time taxes, private renovation investment leveraged, grant funds leveraged, quality of life improvements for people living next to land bank homes that are either sold and renovated or demolished – but all of those benefits are external to our organization. The only benefit captured internally is sales revenue. In order to keep generating these externalized benefits that accrue to the City, County, neighboring property owners, and Onondaga County residents, we need assistance from local and state government.

(3) Administrative Activities

A. Staff and Operations

The Land Bank's staff remained stable over most of 2020. One of our Sales Specialists resigned in October and we opted not to fill that position until the pace of foreclosures increases; our average number of listings at any given time is ½ what it was in mid-2020 and we are running out of structures to sell.

Our office remains open to the public by appointment only due to COVID and some of our administrative staff continue to work remotely part-time, but most are back in the office.

We resumed in-person board meetings in July and have continued to meet in-person with the exception of our January annual meeting, which we held virtually in order to respect social distancing requirements since it typically attracts a large crowd.

The Land Bank received \$120,000 PPP loan in 2021, which was forgiven.

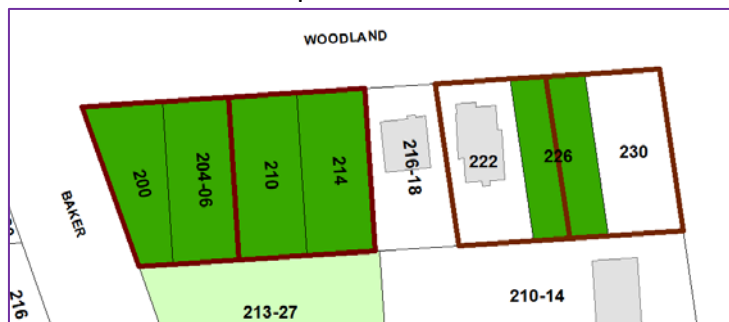
B. Planning, Land Banking/Site Assembly

At the end of 2019 the Land Bank, SIDA, and OCIDA were awarded a \$600,000 Brownfields Assessment Grant by the USEPA, which provides funds to test suspected brownfields. We started spending these funds in earnest in 2020 and continued to do so in 2021. We utilized these funds to complete Phase I Environmental Site Assessments (ESAs) on 19 brownfields, Phase II ESAs on six brownfields, and we are currently completing a regulated building materials survey on the Syracuse Developmental Center.

We reached our goal of spending 70% of these grant funds by October 2021, making us eligible to apply for another Assessment grant, which we submitted 12/1/21. We expect to hear in June if that application was successful. We are working to complete a Phase II and cleanup plan for the old Patrick's Dry Cleaners on Hawley Ave. so that we will be prepared to apply for cleanup funds for that site this October.

Properties acquired over the past nine years are now providing the site control needed for the City's Resurgent Neighborhoods Initiative, which will include the construction of 200 new units of affordable housing. The first RNI new construction projects are already underway and are being planned in clusters that will transform the blocks they're being built on, replace blighted properties with safe and healthy homes, improve quality of life for the future occupants and neighbors, and increase property values to the benefit of surrounding homeowners.

To date we have completed 23 results for RNI and have



dozens more in the works to combine lots or move lot lines to create new building sites. One example of a lot line adjustment is shown above, where we moved the lot line over to create two lots with roughly equal street frontage. In other cases we've combined lots or split lots between neighboring parcels to make bigger building sites (see Woodland example to the left).

We are continuing to work on resubdivisions and demolitions to line up new construction sites. Because each building site often involves a combination of parcels, we expect Phase I of RNI will return ~180 Land Bank properties to the tax rolls. The “land banking” we have done over the past nine years is making thoughtful planned development possible. We have also been working with other partners such as Blueprint 15 to assemble development sites in their target area.

C. Board of Directors

All Board of Directors meetings are open to the public. The Board of Directors met frequently in 2020 in order to approve a large number of property sales, property acquisitions, oversee contracts and the procurement of services for the maintenance and redevelopment of Land Bank-owned properties.

- January 14 – Governance Committee Meeting
- January 19 – Annual Board Meeting
- February 16 – Regular Board Meeting
- March 16 – Regular Board Meeting
- March 30 – Audit Committee Meeting
- March 30 – Special Board Meeting
- April 20 – Regular Board Meeting
- May 18 – Regular Board Meeting
- June 15 – Regular Board Meeting
- July 20 – Regular Board Meeting
- August 17 – Regular Board Meeting
- September 21 – Regular Board Meeting
- October 19 – Regular Board Meeting
- November 16 – Regular Board Meeting
- December 21 – Regular Board Meeting

I encourage you to review all the Greater Syracuse Property Development Corporation’s Policies and Procedures published at www.syracuselandbank.org, which were all reviewed and readopted in January 2022.

Attachments:

- 2021 Balance Sheet and Profit & Loss Statement
- 2021 Audited Financial Statements

Greater Syracuse Property Development Corporation

04/01/22

Balance Sheet

Accrual Basis

As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
10000 · Checking	4,615,792.06
Total Checking/Savings	4,615,792.06
Accounts Receivable	
11001 · Accounts Receivable	1,000.00
Total Accounts Receivable	1,000.00
Other Current Assets	
12400 · Note Receivable - Lodi Street	84,751.25
12001 · Undeposited Funds	7,159.00
12100 · Contract Receivable	
12124 · City of Syracuse '21-22	250,000.00
12123 · City ARPA '21	2,500,000.00
12121 · The Castle Project	
12121.1 · CNY Community Foundation	50,000.00
Total 12121 · The Castle Project	50,000.00
12120 · City CARES '21	64,636.22
12117 · Save America's Treasures	499,218.91
12111 · EPA_Brownfield_Petroleum	2,499.80
12110 · EPA_Brownfield_Hazardous	153,460.09
Total 12100 · Contract Receivable	3,519,815.02
12500 · Prepaid Insurance	54,026.88
12900 · Prepaid Expense	15,123.72
Total Other Current Assets	3,680,875.87
Total Current Assets	8,297,667.93
Fixed Assets	
14000 · Computer	13,399.86
15000 · Furniture and Equipment	6,381.08
16000 · Software and Website	13,050.00
17000 · Accumulated Depreciation	-31,588.55
Total Fixed Assets	1,242.39
Other Assets	
18000 · Cost of Properties Held	526,124.41
Total Other Assets	526,124.41
TOTAL ASSETS	8,825,034.73
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	529,665.38
Total Accounts Payable	529,665.38
Credit Cards	
20002 · M&T Visa 7079	3,383.47
Total Credit Cards	3,383.47
Other Current Liabilities	
24901 · Sales Tax Payable	142.65
20600 · FSA Liability	481.00

Greater Syracuse Property Development Corporation

Balance Sheet

04/01/22

As of December 31, 2021

Accrual Basis

	Dec 31, 21
20900 · 401(K) Liability	
21000 · 401(k) Payable	2,340.42
Total 20900 · 401(K) Liability	2,340.42
20500 · Down Payment on Property Sale	18,500.00
22000 · Accrued Expenses	94,842.75
24100 · Prepaid Rental Income	3,850.00
Total Other Current Liabilities	120,156.82
Total Current Liabilities	653,205.67
Long Term Liabilities	
28000 · Deferred Grant Inflow	
29511 · City ARPA '21 Stab.	938,163.73
29510 · City ARPA '21 Demo	2,775,342.73
29509 · County '21	96,012.60
29508 · The Castle Project	
29508.6 · Individual Donations	25,653.00
29508.5 · National Trust	15,000.00
29508.3 · Reisman Foundation	30,200.00
29508.1 · CNY Community Foundation	50,000.00
Total 29508 · The Castle Project	120,853.00
29507 · City CARES '21	60,920.36
29505 · Save America's Treasures	499,218.81
29504 · City of Syracuse '20-21	2,864.60
28024 · CRI 2020 Rehab	300,000.00
28023 · CRI 2020 Demo	5,999.99
29503 · Community Fou. Lead Grant #2	1,602.96
29020 · EPA_Brownfield_Petroleum '19-22	1,792.70
29010 · EPA_Brownfield_Hazardous '19-22	78,607.08
28006 · County Bank Purchase	139,663.91
28019 · County- Building Stabilization	490.35
28020 · County-Purchase of Vacant Prop.	4,506.15
28021 · City of Syracuse '19-'20	5,583.00
Total 28000 · Deferred Grant Inflow	5,031,621.97
29500 · Parks Conservancy Grant	1,000.00
Total Long Term Liabilities	5,032,621.97
Total Liabilities	5,685,827.64
Equity	
32000 · Unrestricted Net Assets	2,994,715.49
Net Income	144,491.60
Total Equity	3,139,207.09
TOTAL LIABILITIES & EQUITY	8,825,034.73

Greater Syracuse Property Development Corporation

Profit & Loss

04/01/22

January through December 2021

Accrual Basis

	Jan - Dec 21
Ordinary Income/Expense	
Income	
40041 · The Castle Project	
40041.8 · Individual Donations	8,200.00
40041.6 · J.M McDonald Foundation	10,000.00
40041.4 · Gifford Foundation	45,000.00
40041.3 · Reisman Foundation	19,800.00
40041.2 · Allyn Foundation	25,000.00
40041 · The Castle Project - Other	1,500.00
Total 40041 · The Castle Project	109,500.00
40000 · Government Grants	
44000 · Save America's Grant	
44000.1 · Save America's Admin/Dev. Fees	7.83
44000 · Save America's Grant - Other	550.00
Total 44000 · Save America's Grant	557.83
40110 · CNY Lead	
40190 · CNY Community Lead Grant #2	
40190.1 · CNY Lead#2 Admin/Developer Fees	1,265.23
40190 · CNY Community Lead Grant #2 - Other	17,451.50
Total 40190 · CNY Community Lead Grant #2	18,716.73
Total 40110 · CNY Lead	18,716.73
40160 · EPA_Brownfield_Petroleum	
40160.1 · EPA BP - Admin/Developer Fees	684.09
40160 · EPA_Brownfield_Petroleum - Other	22,802.57
Total 40160 · EPA_Brownfield_Petroleum	23,486.66
40150 · EPA_Brownfield_Hazardous	
40150.1 · EPA BH - Admin/Developer Fees	7,907.00
40150 · EPA_Brownfield_Hazardous - Other	263,567.01
Total 40150 · EPA_Brownfield_Hazardous	271,474.01
40010 · City of Syracuse	
46000 · City CARES '21	
46100 · City CARES Admin/Dev Fees	40,622.94
46000 · City CARES '21 - Other	411,681.70
Total 46000 · City CARES '21	452,304.64
40043 · City ARPA '21 Demo	
40043.1 · City ARPA '21 Demo Adm/Dev Fees	81,893.91
40043 · City ARPA '21 Demo - Other	942,763.36
Total 40043 · City ARPA '21 Demo	1,024,657.27
40044 · City ARPA '21 Stab.	
40044.1 · City ARPA '21 Stab Adm/Dev Fees	16,965.00
40044 · City ARPA '21 Stab. - Other	244,871.27
Total 40044 · City ARPA '21 Stab.	261,836.27
41001 · City of Syracuse '19-'20	13,200.00
41004 · City of Syracuse '20-21	10,800.00
41005 · City of Syracuse '21-22	500,000.00
Total 40010 · City of Syracuse	2,262,798.18
40030 · Admin/Developer's Fee	2,665.80

Greater Syracuse Property Development Corporation

Profit & Loss

04/01/22

January through December 2021

Accrual Basis

	Jan - Dec 21
40040 · Onondaga County	
40300 · County CARES '21	
40301 · County CARES Admin/Dev Fees	22,545.46
40300 · County CARES '21 - Other	227,454.57
Total 40300 · County CARES '21	250,000.03
40042 · County '21	103,987.40
40040 · Onondaga County - Other	12,235.51
Total 40040 · Onondaga County	366,222.94
40060 · NY Attorney General	
40060.5 · CRI 2020 Rehab	71,646.90
40060.4 · CRI 2020 Demo	18,422.97
40060.2 · CRI 2019 Demo	8,947.20
40060.1 · CRI Admin/Developer Fees	3,353.10
Total 40060 · NY Attorney General	102,370.17
Total 40000 · Government Grants	3,048,292.32
40950 · Community Donated Funds	4.00
41000 · Donated Property	66,065.00
48000 · Side Lot Application Income	775.00
49000 · Rental Income	37,651.00
49500 · Sale of Property	1,330,595.59
Total Income	4,592,882.91
Cost of Goods Sold	
50000 · Cost of Sales	
500VI · Vacant COS Inventorial	
50010 · Property Purchase Cost	13,297.00
50015 · Donated Property Value	66,065.00
50050 · Debris Removal - Initial	148,885.45
50090 · Renovation Inventory	135,488.89
50095 · Sidewalk Replacement/Repair	18,205.00
50100 · Stabilization	294,357.20
50115 · Environ. Assess. Inventorial	720.00
50145 · Title Searches	7,258.40
50170 · Architectural Prof. Services	41,185.00
50180 · Land Survey Prof. Services	22,875.00
50200 · Property Appraisal	675.00
50990 · Impairment Loss	373,173.31
50999 · Spec Reclass to/from Inventory	-218,391.77
Total 500VI · Vacant COS Inventorial	903,793.48
500PC · Periodic COS	
50025 · Property Materials and Supplies	10,516.82
50029 · General Inspections	19,771.50
50045 · Pest Exterminations	300.00
50051 · Debris Removal - Periodic	207,237.77
50070 · Lawn Maintenance	354,152.27
50080 · Snow Removal	22,753.00
50110 · Demolition/Deconstruction	1,364,198.00
50111 · Renovation Expensed	71,646.90
50117 · Survey/Abatement Pre-Demo	68,191.00
50120 · Permits/Fees	0.00
50130 · Utilities	142,102.56
50190 · Evictions	765.00
50205 · Legal & Closing Costs	23,005.60
50220 · Brokerage - Sale	10,667.00

Greater Syracuse Property Development Corporation

Profit & Loss

04/01/22

January through December 2021

Accrual Basis

	Jan - Dec 21
50230 · Sale of Property Closing Costs	4,000.00
53100 · Stabilization	915.00
Total 500PC · Periodic COS	2,300,222.42
Total 50000 · Cost of Sales	3,204,015.90
Total COGS	3,204,015.90
Gross Profit	1,388,867.01
Expense	
61002 · Square Fees	18.25
61001 · PayPal Fees	133.40
60604 · Admin/Developer's Fee	0.00
60000 · Accounting Fees	70,575.00
60100 · Automobile	7,392.46
60150 · Bad Debt	12,750.00
60200 · Depreciation	1,285.67
60300 · Legal Fees	46,126.88
60400 · Office Expense	39,609.08
60500 · Payroll	
60535 · Employer 401(K) Match expense	
60540 · Employer 401(k) Match	24,984.52
Total 60535 · Employer 401(K) Match expense	24,984.52
60510 · Salary	520,523.13
60520 · Payroll Taxes	42,829.21
60530 · Employee Health Insurance	51,324.80
60550 · Payroll Processing Fees	10,237.90
Total 60500 · Payroll	649,899.56
60600 · Professional Services	306,617.86
60602 · Relocation Assistance Expense	13,003.33
60603 · Special Assessments Expense	7,210.21
60700 · Insurance	
60702 · Liability	162,614.54
60700 · Insurance - Other	119,912.77
Total 60700 · Insurance	282,527.31
60800 · Telephone	4,288.09
61000 · Bank Service Charge	-50.00
61200 · License and Fees	2,025.00
61300 · Events & Marketing	15,413.88
61400 · Rent Expense	33,321.28
Total Expense	1,492,147.26
Net Ordinary Income	-103,280.25
Other Income/Expense	
Other Income	
74000 · Sales Tax Vendor Credit	7.84
73000 · PPP Forgiveness of Debt	120,095.00
70700 · Interest Income - 1800 Lodi St	6,012.38
70200 · Salvage Income	
70202 · Non-Taxable Sales	6,034.89
70201 · Taxable Sales	3,746.95
Total 70200 · Salvage Income	9,781.84
70400 · Forbearance Income	12,500.00
70500 · Defaulting on Residency Req.	8,190.00
70600 · Project Extension Fees	80,302.00

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Greater Syracuse Property Development Corporation

Profit & Loss

04/01/22

Accrual Basis

January through December 2021

	Jan - Dec 21
71000 · Reimbursement Income	
71001 · Insurance Reimbursement	213.80
71000 · Reimbursement Income - Other	1,698.28
Total 71000 · Reimbursement Income	1,912.08
72000 · Forfeited Down Payment on Sale	13,705.00
79000 · Misc. Income	65.71
Total Other Income	252,571.85
Other Expense	
80002 · Salvage Labor	4,800.00
Total Other Expense	4,800.00
Net Other Income	247,771.85
Net Income	144,491.60

**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).

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, 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.

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)

- **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

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

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.

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)

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

	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>	<u>2019</u>	<u>% of Total</u>
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	<u>120,095</u>	2.53%	<u>101,710</u>	2.76%	<u>-</u>	0.00%
Total operating revenues	<u>4,750,769</u>		<u>3,685,924</u>		<u>4,952,004</u>	
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	<u>1,286</u>	0.03%	<u>2,379</u>	0.05%	<u>3,030</u>	0.06%
Total operating expenses	<u>4,683,463</u>		<u>4,600,375</u>		<u>5,297,393</u>	
OPERATING INCOME (LOSS)	<u>67,306</u>		<u>(914,451)</u>		<u>(345,389)</u>	
NON-OPERATING INCOME (EXPENSES):						
Miscellaneous	<u>11,115</u>		<u>1,734</u>		<u>(127)</u>	
CONTRIBUTIONS	<u>66,069</u>		<u>71,990</u>		<u>235,250</u>	
CHANGE IN NET POSITION	<u>\$ 144,490</u>		<u>\$ (840,727)</u>		<u>\$ (110,266)</u>	

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)

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.

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

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

	<u>2021</u>	<u>2020</u>
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	<u>1,843,069</u>	<u>219,988</u>
Total current assets	5,630,388	3,390,747
NONCURRENT ASSETS:		
Capital assets, net	<u>1,242</u>	<u>2,528</u>
Total assets	<u>5,631,630</u>	<u>3,393,275</u>
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	<u>19,124</u>	<u>37,419</u>
Total current liabilities	<u>2,492,424</u>	<u>398,559</u>
NET POSITION		
Net investment in capital assets	1,242	2,528
Unrestricted	<u>3,137,964</u>	<u>2,992,188</u>
Total net position	<u>\$ 3,139,206</u>	<u>\$ 2,994,716</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
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	<u>37,082</u>	<u>28,868</u>
Total operating revenues	<u>4,750,769</u>	<u>3,685,924</u>
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	<u>7,392</u>	<u>7,705</u>
Total operating expenses	<u>4,683,463</u>	<u>4,600,375</u>
OPERATING INCOME (LOSS)	<u>67,306</u>	<u>(914,451)</u>
NON-OPERATING INCOME:		
Miscellaneous income	<u>11,115</u>	<u>1,734</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>78,421</u>	<u>(912,717)</u>
CONTRIBUTIONS:		
Cash contributions	4	19,485
Demolition contributions	-	25,000
Inventory contributions	<u>66,065</u>	<u>27,505</u>
Total contributions	<u>66,069</u>	<u>71,990</u>
CHANGE IN NET POSITION	144,490	(840,727)
NET POSITION - beginning of year	<u>2,994,716</u>	<u>3,835,443</u>
NET POSITION - end of year	<u>\$ 3,139,206</u>	<u>\$ 2,994,716</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
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)
	<u>2,325,018</u>	<u>(1,254,211)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from cash contributions	<u>4</u>	<u>19,485</u>
	<u>4</u>	<u>19,485</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net miscellaneous income (expense)	<u>11,115</u>	<u>1,734</u>
	<u>11,115</u>	<u>1,734</u>
CHANGE IN CASH	2,336,137	(1,232,992)
CASH - beginning of year	<u>2,286,814</u>	<u>3,519,806</u>
CASH - end of year	<u>\$ 4,622,951</u>	<u>\$ 2,286,814</u>
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION:		
Cash	\$ 2,779,882	\$ 2,066,826
Restricted cash	<u>1,843,069</u>	<u>219,988</u>
Total	<u>\$ 4,622,951</u>	<u>\$ 2,286,814</u>
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	<u>(18,295)</u>	<u>3,748</u>
Net cash from operating activities	<u>\$ 2,325,018</u>	<u>\$ (1,254,211)</u>
NONCASH ACTIVITIES:		
Inventory and demolition contributions	<u>\$ 66,065</u>	<u>\$ 52,505</u>
Total noncash activities	<u>\$ 66,065</u>	<u>\$ 52,505</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)

Notes to Basic Financial Statements
December 31, 2021 and 2020

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.

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, 2021 and 2020

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.

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, 2021 and 2020

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.

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, 2021 and 2020

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.

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, 2021 and 2020

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	<u>\$ 2,528</u>	<u>\$ (1,286)</u>	<u>\$ -</u>	<u>\$ 1,242</u>

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	<u>\$ 4,907</u>	<u>\$ (2,379)</u>	<u>\$ -</u>	<u>\$ 2,528</u>

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, 2021 and 2020

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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>27,657</u>	<u>5,955</u>	<u>33,612</u>
Total	<u>\$ 84,751</u>	<u>\$ 70,274</u>	<u>\$ 155,025</u>

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.

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, 2021 and 2020

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.

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.

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.

**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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
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	<u>250,000</u>	
Total CDBG - Entitlement Grants Cluster			<u>702,305</u>	
Total U.S. Department of Housing and Urban Development			<u>702,305</u>	
U.S. Department of the Interior				
Save America's Treasures	15.929	N/A	<u>558</u>	
Total U.S. Department of the Interior			<u>558</u>	
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	<u>1,286,493</u>	
Total U.S. Department of Treasury			<u>1,286,493</u>	
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	<u>271,474</u>	
Total Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements			<u>294,961</u>	
Total U.S. Environmental Protection Agency			<u>294,961</u>	
Total Expenditures of Federal Awards			<u>\$ 2,284,317</u>	

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.

**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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