



Greater Syracuse Land Bank 2023 Annual Report to Syracuse Common Council

Delivered April 4, 2024

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 – immediately improves on-time collection rates
- by taking all the City’s foreclosures, we enable the City to make the threat of foreclosure real, improving their collection rate on delinquent taxes
- undertake site assembly (making bigger, more attractive sites available for development) and make site control available for these developers while they apply for grants, tax-credits, and other financing and 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)
- hold title to hundreds of shovel-ready projects, improving our success rate applying for grants
- 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
- undertake environmental testing and, when necessary, remediation to make brownfields more attractive for redevelopment

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 ~\$23.1 million of delinquent receivables over and above historic collection rates. Presumably, a corresponding \$15.4 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 1,340 properties post-foreclosure, leveraging over \$49 million in private renovation investment and those properties. Now returned to the tax rolls, these sold properties generate over \$2 million/year in local property tax.
- With \$10 million invested by the City of Syracuse and \$3.1 million from Onondaga County, each from their general funds, the Land Bank has been able to attract and leverage approx. \$52.7 million in other grants from federal, state & local sources. These funds support renovations, new construction, demolition, and other neighborhood revitalization activities.
- Of the 2,143 properties conveyed to us so far, we have addressed 80% via sale or demolition.
- Per the Mayor’s 2024 State of the City address there are currently just over 1,000 vacant residential buildings in the City of Syracuse. There were over 1,800 when the Land Bank started in 2012. This is a 44% reduction!
- 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 794 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.

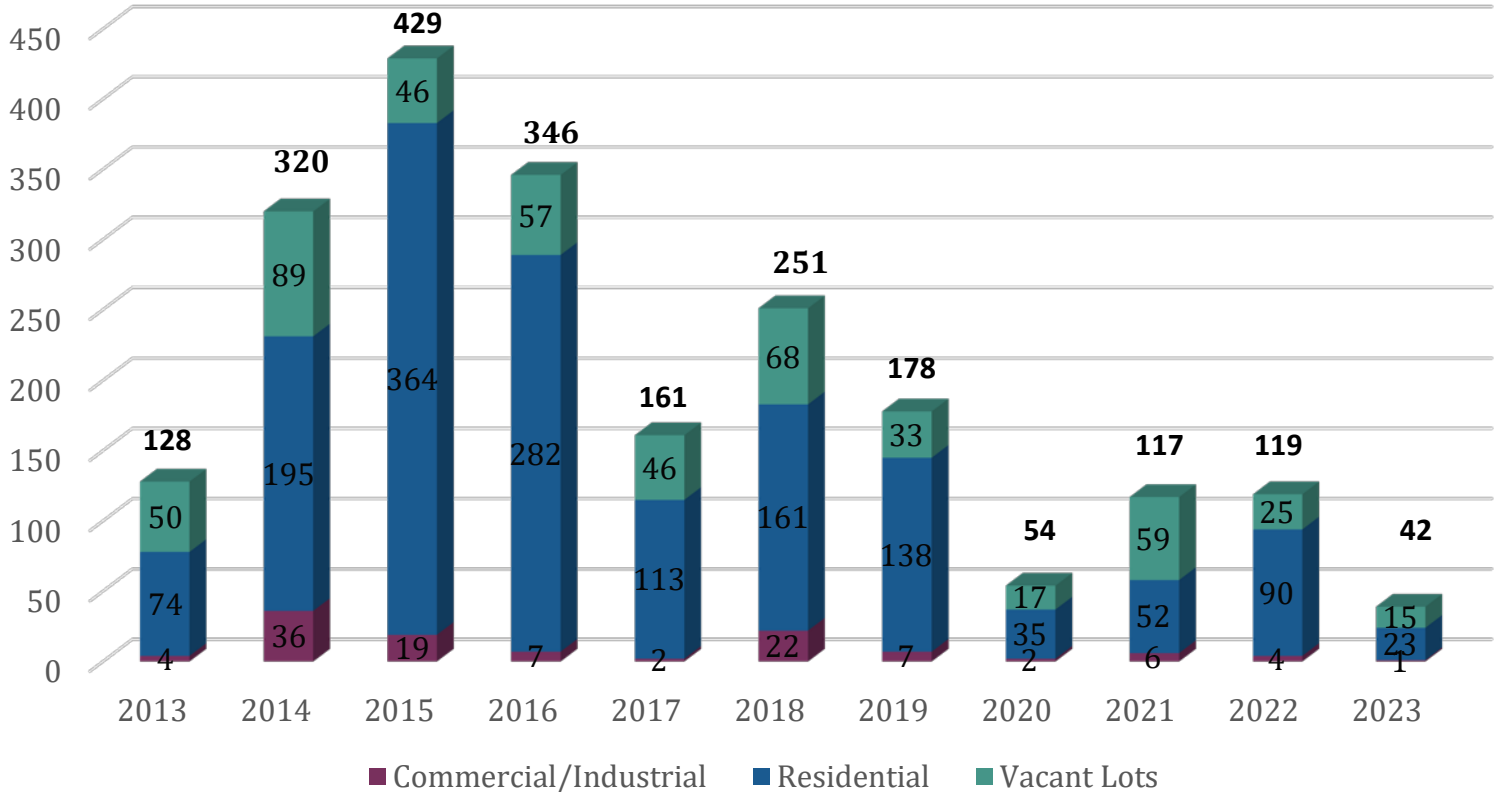
II. Annual Report

(1) Projects undertaken in 2023

A. Acquisitions

The Land Bank acquired 42 properties in 2023.

ACQUISITION METHOD	TOTAL
City – Tax Foreclosure	24
Deed in Lieu of Foreclosure	13
Transfer of City-owned Property	3
Donation - Private	2
TOTAL	42



We have, for many years, voiced concern about the slow pace of foreclosures. The City hadn't issued a large batch of foreclosure notices since late 2019 and the backlog of seizable properties we endeavored to catch up with continues to grow. New properties become seizable every April. 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 as thousands of properties are still seizable.

In 2023, the City made significant progress in this regard and issued a large batch of foreclosure notices early in the year. This progress was quickly followed in May by a SCOTUS decision in *Tyler v. Hennepin County* that upended the way property-tax foreclosures work in NY and about a dozen other states. Many other municipalities are waiting for NYS to amend NYS Real Property Tax Law before resuming foreclosures, but we are fortunate that the City of Syracuse is one of the communities that opted out of Article 11 of RPTL in the 1990s and has the power to amend its own local tax and assessment act. The City's Law Department and the Land Bank worked together to craft a new process that complies with this SCOTUS decision and protects homeowners from loss of home equity at the time of foreclosure, but also maintains an efficient process so that we can quickly acquire vacant, abandoned, eyesore properties that are dragging down neighbors' home values

and quality of life. We hope that this law will be a model for other opt-out communities and are proud that once again Syracuse is at the forefront of innovative strategies to address vacant and abandoned properties.

It is in the City’s best interest to foreclose on all seizable properties as quickly as possible:

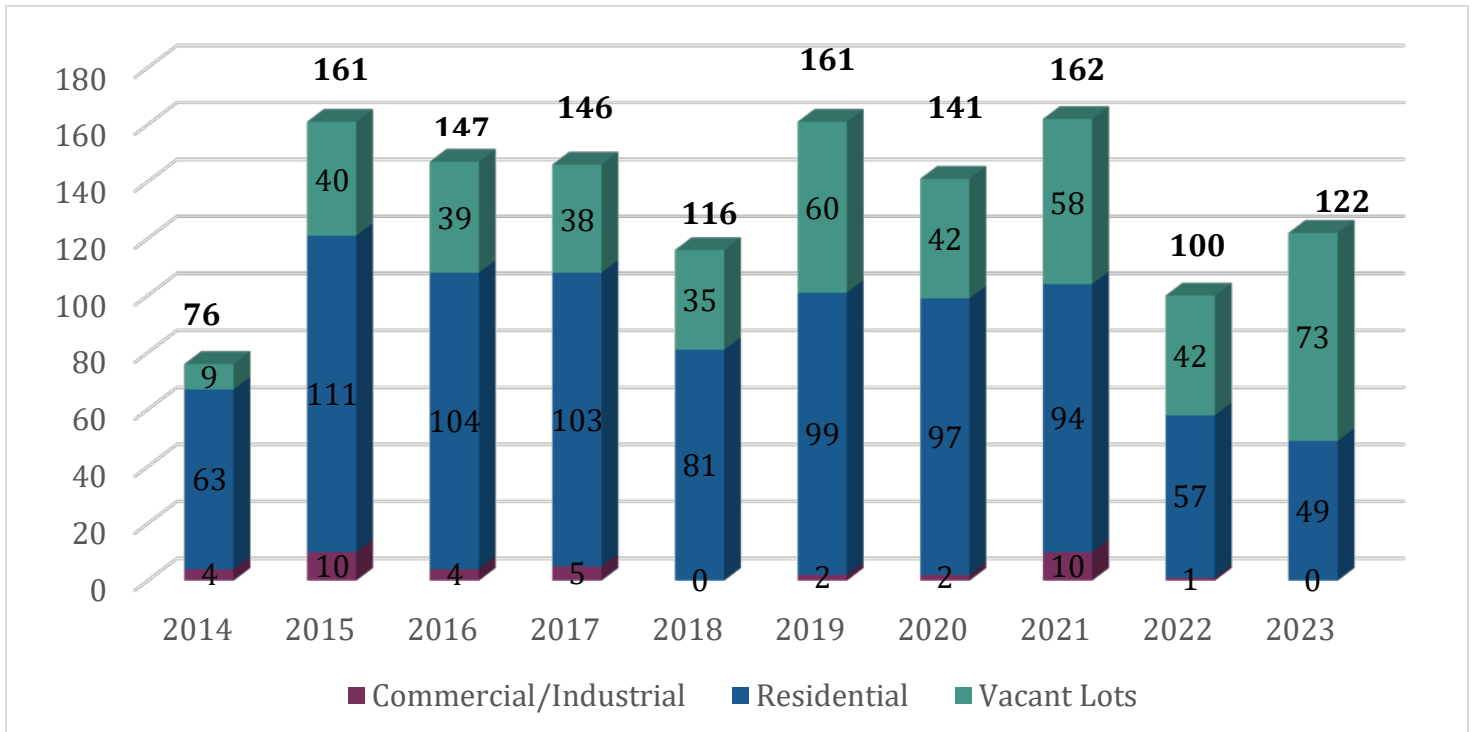
- Now with Micron coming to Onondaga County, our existing affordable housing challenges will be further exacerbated. We are missing opportunities to assemble hundreds of construction sites with vacant lots that haven’t yet been foreclosed upon. After we take title, it takes time for us to demolish blighted buildings and obtain resubdivisions (lot line adjustments) from the City necessary to make viable building sites. With unprecedented levels of investment coming from the Federal and State government making construction of more affordable housing possible, we need to be hustling to assemble shovel-ready construction sites for affordable and market-rate development
- 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.
- 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.

B. Sales

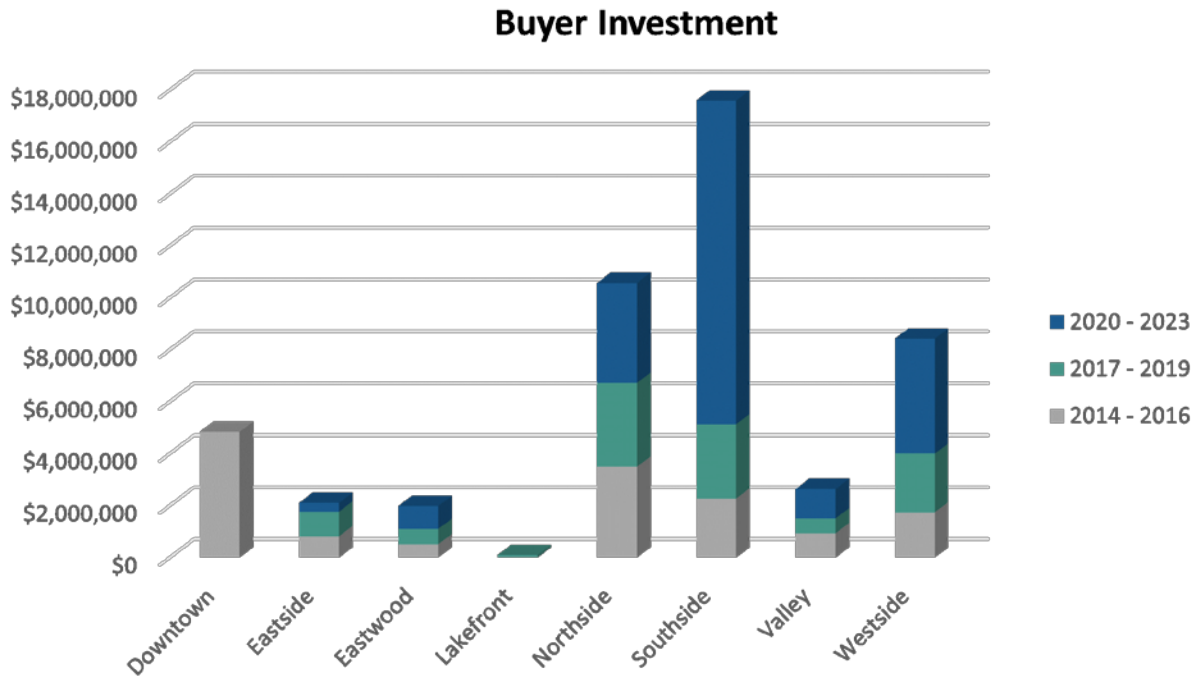
The Land Bank sold 122 properties in 2023. These included:

POST-PURCHASE USE PLAN	TOTAL
Occupy as Primary Residence	20
Re-Sell to an Owner Occupant	29
Operate as a Rental	37
Side Lot/Expand Yard	35
Other	1
TOTAL	122

PROPERTY TYPE	TOTAL
Single Family	29
Three Family	4
Two Family	17
Vacant Lot	72
TOTAL	122



To date, the Land Bank has sold 1,349 properties – 1,324 in the City of Syracuse. These are leveraging \$49 million in private renovation investment, effectively crowdfunding revitalization:



Proceeds from the sale of property totaled ~\$1.3 million in 2023. The Land Bank’s 2023 year-end fund balance is sufficient to cover approximately 10 months of operating expenses. While it may appear that the Land Bank netted a significant profit in 2023, in fact, very little of that gain is in the form of unrestricted cash and at the end of 2022 our unrestricted fund balance was sufficient to cover 9 months of operating expenses, so the improvement in our financial condition was modest.

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
2022	\$ 1,226,456	103	\$ 95,871	61	\$ 20,106
2023	\$ 1,353,046	122	\$ 388,606	50	\$ 23,806

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

In past years we have provided the average sales price for structures, but this is deceiving as a large portion of our sales revenue is driven by a few outliers each year. Below we’ve summarized the median sales price of structures by year.

YEAR	MEDIAN STRUCTURE SALES PRICE
2014	\$10,000
2015	\$7,000
2016	\$9,900
2017	\$8,446
2018	\$9,000
2019	\$9,898
2020	\$5,250
2021	\$5,000
2022	\$12,250
2023	\$13,400

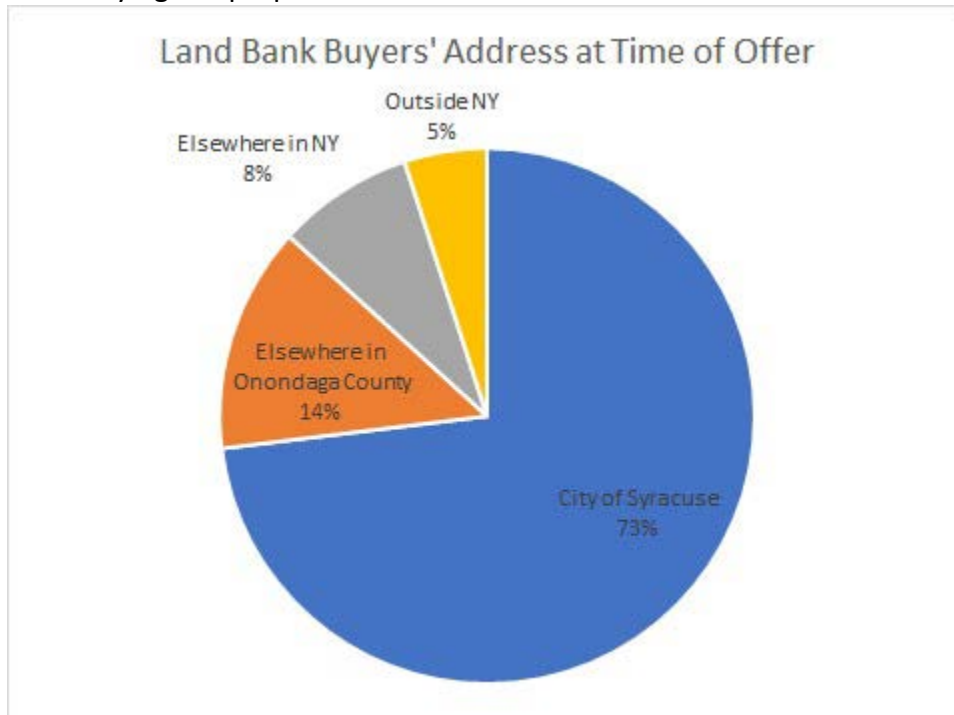
The Land Bank’s strategy of acquiring properties and marketing them in as-is condition for buyers to renovate is successfully leveraging private investment in neighborhood revitalization. To date, the Land Bank has sold over 1,349 properties and approximately 120¹ more sales are pending closing. **Cumulatively, properties sold by the Land Bank to date are generating approximately \$2 million per year in local property taxes and have leveraged over \$49 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. \$23.1 million more of overdue receivables (delinquent taxes), and assuming a proportionate increase, the County should have received \$15.4 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 ~1,349 properties sold to date, 39 have been taken back by the Land Bank due to a default on their enforcement mortgage – less than 3% of properties sold to date. We do have a growing number of properties in default on their enforcement mortgages – several dozen – for which we are pursuing enforcement options including, but not limited to, foreclosure. This is in part because the properties we have had available to sell over the past three years have been lower quality than our earlier sales. Most quickly come into compliance when they receive a default notice. Our goal in these situations is always for the buyer to complete the work in a satisfactory manner and we do whatever we can to match them up with additional resources to finish the project – grants, loans, and contractors. Foreclosure is only pursued when there appears to be no viable possibility of them completing the project. **The enforcement mortgage mechanism works and guarantees more predictable, better quality results than an auction, and enables us to get the property back if we don’t see quality results in a timely manner.**

¹ This number sounds high, but we have quite a few properties under contract for RNI while our housing partners apply for funding.

People often ask who is buying our properties:



This is based on the address they list on their purchase offer. Quite a few from out-of-town plan to move here and occupy the home they're purchasing as their primary residence so those aren't counted as Syracuse buyers. This data is for all of our sales to date. Since September 2020, we have gathered demographic data from our buyers. Since that time our buyers break down as follows:

Race

American Indian - Alaskan native	1%
Asian	7%
Black or African American	48%
White	25%
Other	4%
Prefer not to answer	15%

Ethnicity

Hispanic or Latino	10%
Not Hispanic or Latino	68%
Prefer not to answer	21%

Gender

Female	28%
Male	59%
Other	0%
Prefer not to answer	13%

C. Stabilization/Renovation/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 funding enabled us to demolish 166 blighted buildings and to partner with Home HeadQuarters to build or renovate 89 single-family homes which were sold to income-qualified owner-occupants. This program was fully spent down in 2022.

The NY Land Bank Association has persistently lobbied 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. The state, for the first time, included funding just for NY Land Banks (\$50 million) in their FY22-23 budget and another \$10 million in

FY23-24. We anticipate at least another \$10 million will be budgeted for land banks in the coming budget. There are now 29 land banks across the state competing for these funds, but we continue to be a top award-earner since we have shovel-ready projects ready to go at all times. We were awarded \$200,000/year for three years, starting in late 2022, to offset payroll costs. We were awarded \$1.8 million for capital costs in early 2023, but weren't able to start spending those funds until August.

We used LBI funds to continue our 2022 ARPA funded demolitions and stabilizations. We used up the last of our ARPA funding in early 2023 and bid out more stabilizations using LBI funds and a small lead-abatement grant from the CNY Community Foundation to continue stabilizing single- or two-family homes. This work includes some or all of the following treatments: foundation repair, new siding, new windows and doors, new roofs, structural repair, new driveways. The goal is to prevent the properties from becoming demolition candidates and to improve the exterior for the immediate benefit of the neighbors, leaving a stable shell for our buyers to complete the interior renovations, making projects doable that would otherwise not be financially viable for a private buyer. Our current LBI funds and CNYCF funds will cover at least 10 stabilization projects to be completed by June 30, 2023. We chose to focus on stabilization with LBI funds because HCR has other programs to fund renovations and new construction, but this program, which allows stabilization work, is unique. We look forward to another application cycle being announced soon so we can continue this work.

The Land Bank continues to work diligently 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. We are working closely with the City, Home HeadQuarters, Housing Visions, Jubilee Homes, and other affordable housing developers to plan for infill construction under the umbrella of the City's Resurgent Neighborhoods Initiative (RNI).

Our process of acquiring, demolishing, and resubdividing lots resulted in the eight sites where Home HeadQuarters recently built on Baker, Woodland, and Garfield. We are working on similar clusters all throughout the area. Housing Visions recently closed on ~19 parcels they purchased from us and will build five two-family homes on the SW corner of Midland and Colvin and five more at the SE corner of Midland and Beard. They're also building two two-family homes on the 200 block of W Beard. HHQ is also building two single-family homes on the 200 block of W Beard, two more on Wood Ave, three two-family homes on S Salina between Kennedy and Kirk, five single-family homes on S State St where Woodland dead-ends, and one more on the 300 block of Baker.

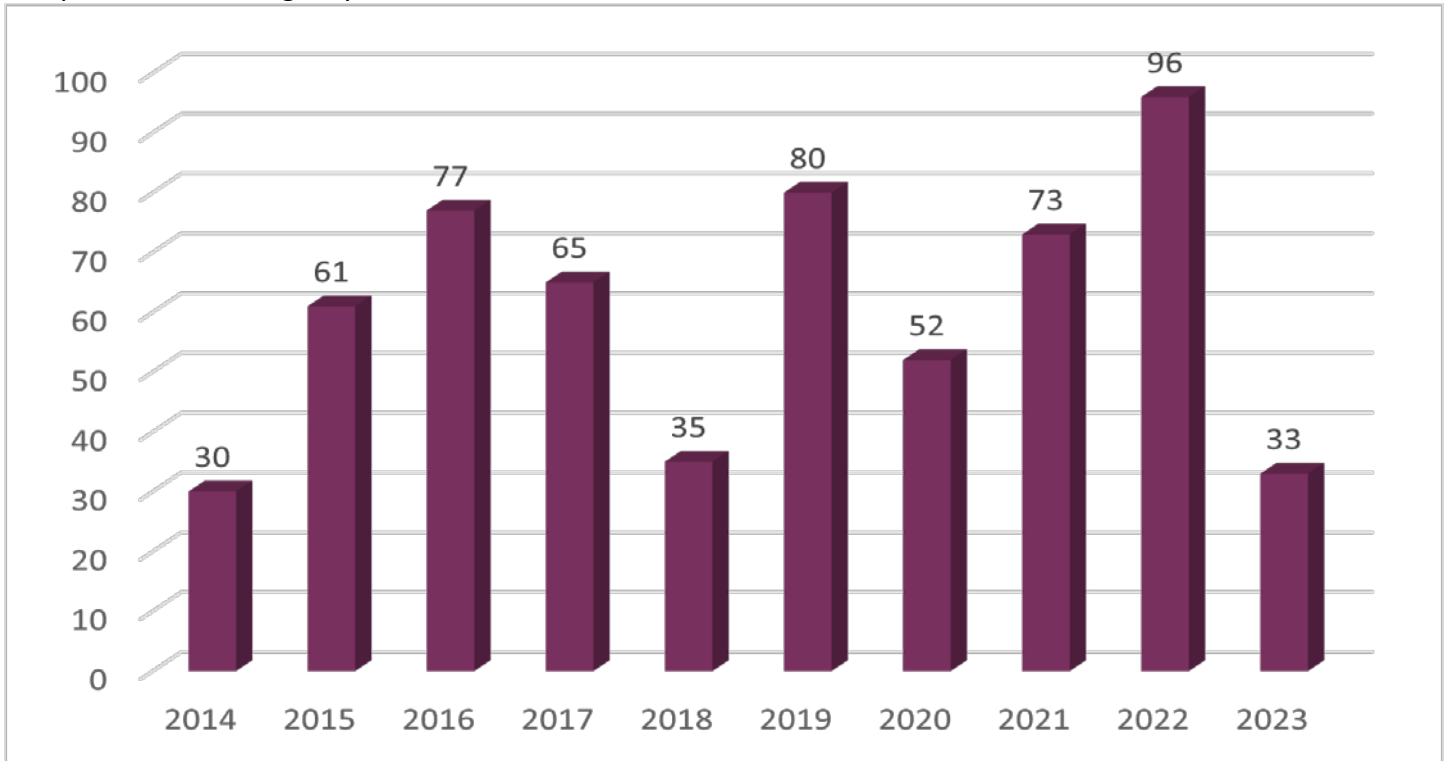
Onondaga County is currently funding the construction of five single-family homes that will be sold to owner-occupants on the 300 block of West Kennedy and Furman. They are also funding Housing Visions to build a two-family home on West Kennedy and two more two-family homes on Furman, which will be operated as affordable rentals.

We are under contract to sell five clusters of property on Delaware Street and a large lot at the corner of Geddes and Seymour to La Liga. They have funding applications pending with NYS to build over 50 units of affordable rental housing on these sites. Across the street from where they'll be building, we just closed on the purchase of the former Delaware Baptist Church at Delaware and Dudley. We'll seek feedback from the neighbors to see what they want to see the church redeveloped for. We are currently completing a hazardous building materials survey here using our latest EPA Brownfields Assessment Grant. We are working to assemble dozens of additional construction sites for single- and two-family homes in the surrounding Near Westside neighborhood and working toward the construction of single-family homes for owner-occupancy (by Home HeadQuarters and Jubilee Homes) on the side streets surrounding this Delaware St. project.

As we see our private buyers increasingly struggle with the complexity of renovating long-vacant buildings, we look forward to RNI putting more move-in ready homes on the market, free of the lead paint hazards that plague older homes.

D. Demolitions

The Land Bank completed 33 demolitions in 2023 using City-granted ARPA funding, NYS LBI funds, and one emergency demolition using unrestricted funds (after ARPA was all spent and before LBI was available). We have completed 611 demolitions since 2014. 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 \$13.3 million to date in grant funds from a variety of sources:

Source	Total
CDBG	\$1,205,419
City	\$1,000,000
County	\$520,000
CRI (AG)	\$4,161,284
SIDA	\$1,000,000
County CARES	\$250,000
City CARES	\$513,225
City ARPA (spent in 2021)	\$1,024,657
City ARPA (spent in 2022)	\$2,492,070
buyers/donors	\$243,750
City ARPA (2023)	\$261,222
NYS LBI (2023)	\$629,213
	\$13,300,840

In addition to the restricted funds listed above, the Land Bank has spent over \$1 million in unrestricted cash on demolitions. The average demolition costs ~\$30,000; prices have slightly increased due to increased cost of trucking and tipping fees. The number of demo candidates in our inventory is now below 75 for the first time in many years, but we anticipate as the City's pace of foreclosures picks back up again, we'll acquire many more demo candidates over the next few years.

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. Brownfields

In 2023, we were awarded a second Brownfields Assessment Grant from the USEPA – this one for \$1,000,000. We applied as a coalition with Blueprint 15 and NEHDA. We're aiming to spend at least 1/3 of the grant in each of their geographic target areas. We got under contract with the EPA for these funds in 2023 and started the process of getting our Quality Assurance Plan approved by them. We're now ready to deploy these funds for Phase I and II environmental site assessments (ESAs). Having these funds available has enabled us to work with the City to acquire brownfields via tax foreclosure while completing All Appropriate Inquiry prior to acquisition. Most of these are longtime vacant eyesores that Syracuse previously didn't have the tools to address.

Having spent down our previous Brownfields Assessment Grant in 2022, we applied for site-specific brownfield assessment technical assistance from the EPA on four sites that received Phase I ESAs from our initial grant, but needed Phase II ESAs: 917 Montgomery, 500 Hawley (Patrick's dry cleaners), 322-26 Delaware, and 541 Seymour (commonly known as Consolidated Industries). We have received completed Phase IIs for 917 Montgomery (needs additional testing, which we will do with our new grant), 541 Seymour (should be ready to go on the market soon), and 322-26 Delaware (under contract to sell to LaLiga). 500 Hawley is still pending. The value of these technical assistance grants is estimated at \$320,000 total.

F. 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.

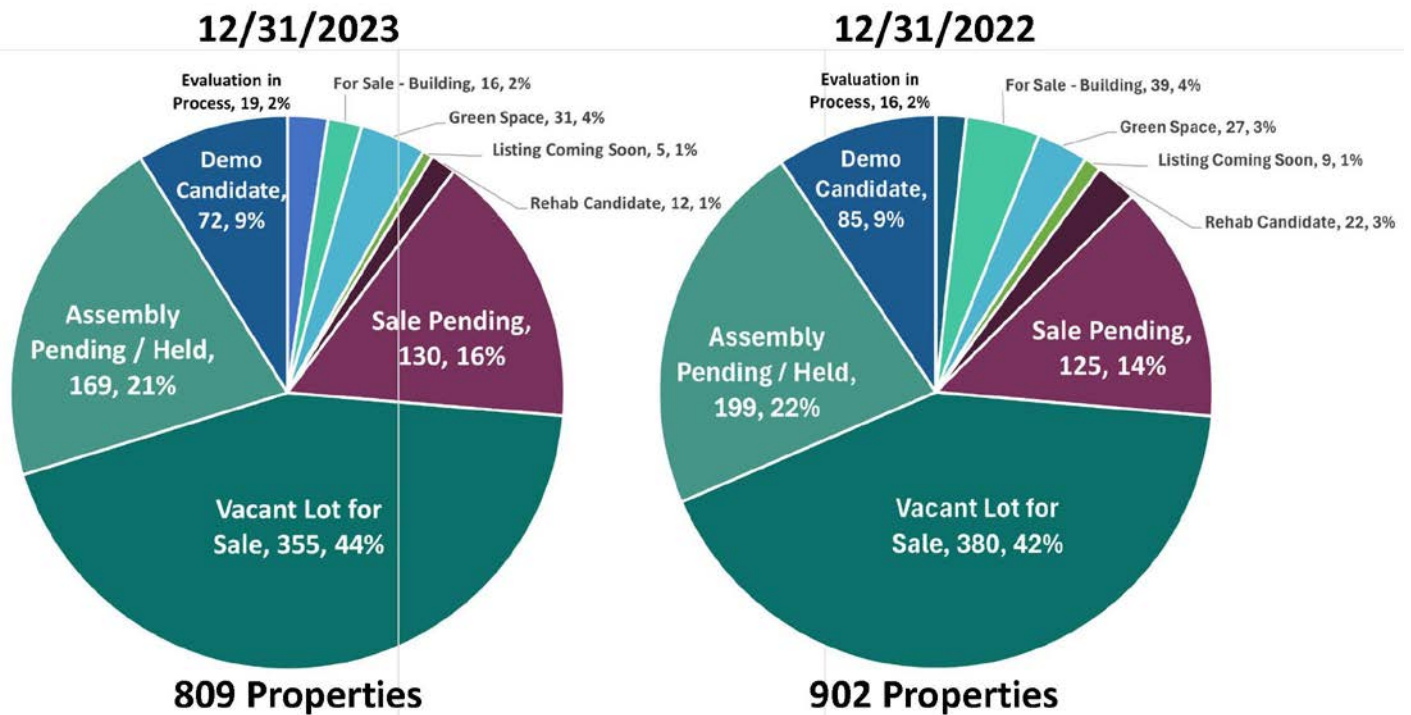
People are often surprised to learn that we hold very few structures in inventory that aren't demolition candidates, listed for sale, or sale pending with a buyer under contract Here we've broken them out by status as of 3/29/24:

PROPERTY STATUS	TOTAL
Assembly Pending	4
BluePrint15 - Hold	1
Demo candidate	74
Evaluation in Process	14
For Sale - Building	17
Listing Coming Soon*	5
Rehab Candidate	9
Sale Pending	27
Total	151

**properties where stabilization work is underway will be listed when it is complete.*

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

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



(2) Monies expended in 2023

Our final, audited, 2023 Profit & Loss Statement and Balance Sheet as of 12/31/23 are attached. You can see there all of our 2023 expenses.

Our balance sheet estimates the value of properties held at ~\$607,000, 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. If this work could be done without public financial support, we wouldn’t need a land bank. The time and expense we put into site assembly repositions abandoned properties so that they can re-enter the private market.

(3) Administrative Activities

A. Staff and Operations

The Land Bank’s staff remained stable in 2023 at 8 full-time employees. Operations are generally unchanged from prior years. We continue to list properties for-sale-by-owner with in-house sales staff. We recently moved our office to 1941 South Salina Street at the corner of Salina and Beard.

B. Board of Directors

All Board of Directors meetings are open to the public. The Board of Directors met frequently in 2023 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 17 – Annual Board Meeting
- February 21 – Regular Board Meeting
- March 21 – Regular Board Meeting
- March 30 – Audit Committee Meeting
- March 30 – Special Board Meeting
- April 5 – Special Board Meeting
- April 18 – Regular Board Meeting
- April 26 – Special Board Meeting
- May 16 – Regular Board Meeting
- June 20 – Regular Board Meeting
- June 23 – Special Board Meeting
- July 18 – Regular Board Meeting
- August 15 – Regular Board Meeting
- September 21 – Regular Board Meeting
- October 19 – Regular Board Meeting
- October 27 – Special Board Meeting
- November 20 – Regular Board Meeting
- December 19 – 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 2024.

Attachments:

- 12/31/23 Statement of Financial Position (Balance Sheet)
- 2023 Statement of Activity (Profit & Loss Statement)
- 2023 Audited Financial Statements

Greater Syracuse Property Development Corporation

Statement of Financial Position

As of December 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
10000 Checking	3,143,546.64
Total Bank Accounts	\$3,143,546.64
Accounts Receivable	
11001 Accounts Receivable	500.00
Total Accounts Receivable	\$500.00
Other Current Assets	
12001 Undeposited Funds	10,625.00
12100 Contract Receivable	0.00
12117 Save America's Treasures	499,218.91
12119 EPA Brownfield Assessment '23	988,344.84
12126 LBI Phase 1	100,000.00
12130 LBI Phase II	1,325,452.09
12131 City of Syr. '23-24	375,000.00
12140 Gustav Stickley House	
12140.1 Envi. Protection Fund	750,000.00
Total 12140 Gustav Stickley House	750,000.00
12142 ARPA '23-24	137,500.00
Total 12100 Contract Receivable	4,175,515.84
12400 Note Receivable - Lodi Street	80,331.26
12401 Note Receivable - Rosemont Dr	22,740.45
12500 Prepaid Insurance	55,538.80
12900 Prepaid Expense	12,827.69
Total Other Current Assets	\$4,357,579.04
Total Current Assets	\$7,501,625.68
Fixed Assets	
14000 Computer	13,399.86
15000 Furniture and Equipment	6,381.08
16000 Software and Website	13,050.00
17000 Accumulated Depreciation	-32,830.94
Total Fixed Assets	\$0.00
Other Assets	
18000 Cost of Properties Held	607,209.00
19400 Lease Asset- Office Space	60,615.00
19500 Accumulated Amortization	-53,880.00
Total Other Assets	\$613,944.00
TOTAL ASSETS	\$8,115,569.68
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	

	TOTAL
20000 Accounts Payable	201,049.15
Total Accounts Payable	\$201,049.15
Credit Cards	
20002 M&T Visa 7079	1,351.96
Total Credit Cards	\$1,351.96
Other Current Liabilities	
20500 Down Payment on Property Sale	31,000.00
20600 FSA Liability	481.77
20900 401(K) Liability	
21000 401(k) Payable	2,367.09
Total 20900 401(K) Liability	2,367.09
22000 Accrued Expenses	41,286.99
24100 Prepaid Rental Income	5,135.00
24901 Sales Tax Payable	85.60
24902 Lease Liab.- Office Space	6,735.00
Total Other Current Liabilities	\$87,091.45
Total Current Liabilities	\$289,492.56
Long-Term Liabilities	
25000 Security Deposits	1,000.00
28000 Deferred Grant Inflow	
28006 County Bank Purchase	139,663.91
28020 County-Purchase of Vacant Prop.	4,506.15
28023 CRI 2020 Demo	3,599.99
29021 EPA Brownfield Assessment '23	975,573.91
29503 Community Fou. Lead Grant #2	1,602.96
29504 City of Syracuse '20-21	464.60
29505 Save America's Treasures	499,218.81
29506 Gustav Stickley House	
29506.1 Envi. Protection Fund	749,939.00
Total 29506 Gustav Stickley House	749,939.00
29507 City CARES '21	3,110.98
29508 The Castle Project	
29508.1 CNY Community Foundation	895.00
29508.3 Reisman Foundation	26,604.50
29508.6 Individual Donations	25,794.04
29508.7 J.M McDonald Foundation	25,000.00
29508.8 National Trust- Consultant	4,000.00
29509.1 CNY Foundation- Staff Adv.	1,000.00
Total 29508 The Castle Project	83,293.54
29509 County '21	23,395.28
29513 CRF '22-23	14,000.00
29514 LBI Phase 1	100,000.00
29516 CNYCF Lead Grant #3	75,000.00
29517 County '23	250,000.00
29518 LBI Phase II	
29519 Building Stab/Rehab	551,512.50
29520 Demolition	439,537.11
29521 Program Delivery	90,000.00
Total 29518 LBI Phase II	1,081,049.61

	TOTAL
29525 City of Syr. '23-24	110,577.84
29526 ARPA '23-24	83,396.36
Total 28000 Deferred Grant Inflow	4,198,392.94
29500 Parks Conservancy Grant	3,000.00
Total Long-Term Liabilities	\$4,202,392.94
Total Liabilities	\$4,491,885.50
Equity	
32000 Unrestricted Net Assets	3,235,078.32
Net Revenue	388,605.86
Total Equity	\$3,623,684.18
TOTAL LIABILITIES AND EQUITY	\$8,115,569.68

Greater Syracuse Property Development Corporation

Statement of Activity

January - December 2023

	TOTAL
Revenue	
40000 Government Grants	
40010 City of Syracuse	
40043 City ARPA '21 Demo	261,221.28
40043.1 City ARPA '21 Demo Adm/Dev Fees	22,051.34
Total 40043 City ARPA '21 Demo	283,272.62
40044 City ARPA '21 Stab.	141,847.90
40044.1 City ARPA '21 Stab Adm/Dev Fees	11,729.43
Total 40044 City ARPA '21 Stab.	153,577.33
41001 City of Syracuse 19- 20	5,583.00
41004 City of Syracuse '20-21	2,400.00
41006 City of Syracuse '22-'23	530,582.73
46000 City CARES '21	18,000.00
46200 City of Syr. '23-24	639,422.16
Total 40010 City of Syracuse	1,632,837.84
40040 Onondaga County	
40042 County '21	201,606.44
Total 40040 Onondaga County	201,606.44
40045 CRF '22-23	-0.01
40047 Gustav Stickley House	
40047.1 Envi. Protection Fund	61.00
Total 40047 Gustav Stickley House	61.00
40048 LBI Phase 1	200,000.00
40049 ARPA '23-24	54,103.64
40060 NY Attorney General	
40060.4 CRI 2020 Demo	2,400.00
Total 40060 NY Attorney General	2,400.00
40065 LBI Phase II	
40066 Building Stab/Rehab	89,737.50
40067 Demolition	629,212.89
Total 40065 LBI Phase II	718,950.39
40180 EPA Brownfield Assessment '23	24,207.20
40180.1 EPA Admin/Developer Fees	218.89
Total 40180 EPA Brownfield Assessment '23	24,426.09
Total 40000 Government Grants	2,834,385.39
40041 The Castle Project	
40041.1 CNY Community Foundation	10,000.00
40041.8 Individual Donations	64,409.67
Total 40041 The Castle Project	74,409.67
41000 Donated Property	7,800.00
48000 Side Lot Application Income	700.00
49000 Rental Income	36,070.00
49500 Sale of Property	1,337,040.28

	TOTAL
49600 Dev. Enfor. Mortg. Foreclosures	182,151.00
Total Revenue	\$4,472,556.34
Cost of Goods Sold	
50000 Cost of Sales	
500PC Periodic COS	
50025 Property Materials and Supplies	20,224.56
50029 General Inspections	20,101.75
50045 Pest Exterminations	959.84
50051 Debris Removal - Periodic	268,732.69
50070 Lawn Maintenance	470,894.35
50080 Snow Removal	8,616.00
50110 Demolition/Deconstruction	1,120,762.58
50117 Survey/Abatement Pre-Demo	33,685.50
50120 Permits/Fees	5,872.68
50130 Utilities	49,600.75
50192 Development Enforcement	69,901.81
50205 Legal & Closing Costs	21,165.00
50220 Brokerage - Sale	8,900.00
53100 Stabilization	8,264.96
53200 Property Appraisal	325.00
Total 500PC Periodic COS	2,108,007.47
500VI Vacant COS Inventorial	
50010 Property Purchase Cost	9,687.00
50011 Dev. Enfor. Mortg. Foreclosures	192,151.00
50015 Donated Property Value	7,800.00
50050 Debris Removal - Initial	72,726.00
50090 Renovation Inventory	15,061.00
50095 Sidewalk Replacement/Repair	2,600.00
50100 Stabilization	324,718.25
50145 Title Searches	425.00
50170 Architectural Prof. Services	16,439.90
50180 Land Survey Prof. Services	16,230.00
50200 Property Appraisal	1,275.00
50990 Impairment Loss	503,816.45
50999 Spec Reclass to/from Inventory	-446,788.78
Total 500VI Vacant COS Inventorial	716,140.82
Total 50000 Cost of Sales	2,824,148.29
Total Cost of Goods Sold	\$2,824,148.29
GROSS PROFIT	\$1,648,408.05
Expenditures	
60000 Accounting Fees	74,230.00
60100 Automobile	10,782.02
60150 Bad Debt	800.00
60200 Depreciation	192.77
60250 Amortization	26,940.00
60300 Legal Fees	21,368.07
60400 Office Expense	38,017.36
60500 Payroll	
60510 Salary	559,355.84
60520 Payroll Taxes	43,654.55

	TOTAL
60530 Employee Health Insurance	59,942.42
60535 Employer 401(K) Match expense	
60540 Employer 401(k) Match	25,156.96
Total 60535 Employer 401(K) Match expense	25,156.96
60550 Payroll Processing Fees	16,101.72
Total 60500 Payroll	704,211.49
60600 Professional Services	28,600.00
60600.1 Evictions	34,847.50
60600.2 Environmental Services	39,400.91
Total 60600 Professional Services	102,848.41
60602 Relocation Assistance Expense	52,606.66
60603 Special Assessments Expense	4,030.41
60604 Admin/Developer's Fee	0.00
60700 Insurance	111,656.12
60702 Liability	159,607.01
Total 60700 Insurance	271,263.13
60800 Telephone	3,804.39
60900 Travel	3,002.41
60905 Conference/Meeting	7,518.45
61000 Bank Service Charge	-17.44
61001 PayPal Fees	168.06
61002 Square Fees	75.51
61200 License and Fees	1,820.00
61300 Events & Marketing	60,351.47
61400 Rent Expense	0.00
61500 Interest Expense	1,187.46
Total Expenditures	\$1,385,200.63
NET OPERATING REVENUE	\$263,207.42
Other Revenue	
70200 Salvage Income	
70201 Taxable Sales	1,088.58
70202 Non-Taxable Sales	2,399.00
Total 70200 Salvage Income	3,487.58
70500 Defaulting on Residency Req.	34,867.80
70600 Project Extension Fees	77,575.00
70700 Interest Income - 1800 Lodi St	4,750.52
70701 Interest Income- 313 Rosemont Dr	477.46
71000 Reimbursement Income	
71001 Insurance Reimbursement	226.57
Total 71000 Reimbursement Income	226.57
72000 Forfeited Down Payment on Sale	4,000.00
74000 Sales Tax Vendor Credit	13.51
Total Other Revenue	\$125,398.44
NET OTHER REVENUE	\$125,398.44
NET REVENUE	\$388,605.86

**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, 2023 and 2022
Together with
Independent Auditor's Report**

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

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INDEPENDENT AUDITOR’S REPORT

March 28, 2024

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, 2023 and 2022, 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, 2023 and 2022, and the 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 audits. 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.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 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 28, 2024, 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, 2023 showing 2022 and 2021 for comparison. Please read it in conjunction with the Corporation's financial statements and accompanying notes.

Overview of Financial Statements

This annual financial report consists of two parts: this section, the Management's Discussion and Analysis (MD&A) and the basic financial statements. The Corporation is a self-supporting entity and follows business-type activity reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Business-type activity statements offer short-term and long-term financial information about the activities and operations of the Corporation. This annual report consists of the financial statements and notes to those statements. The Statements of Net Position, Statements of Revenues, Expenses and Change in Net Position, the Statements of Cash Flows and related notes provide a detailed look at the specific financial activities of the Corporation and generally provide an indication of the Corporation's financial health. The Statements of Net Position include all of the Corporation's assets and liabilities, using the accrual basis of accounting. The Statements of Revenues, Expenses and Change in Net Position report all of the revenues and expenses during the time period indicated. The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for debt.

Financial Highlights

- Below are the Corporation's total net position, total current assets, total current liabilities, and current ratio at December 31, 2023, December 31, 2022, and December 31, 2021, respectively:

	2023	2022	2021
Total Net Position	\$ 3,623,683	\$ 3,235,077	\$ 3,139,206
Total Current Assets	\$ 4,413,392	\$ 4,873,438	\$ 5,547,869
Total Current Liabilities	\$ 892,131	\$ 1,745,620	\$ 2,492,424
Current Ratio	4.9	2.8	2.2

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

Financial Highlights (Continued)

- Below are the Corporation's operating revenues, operating expenses, and operating income at December 31, 2023, December 31, 2022, and December 31, 2021, respectively:

	2023	2022	2021
Operating Revenues	\$ 4,580,626	\$ 5,660,657	\$ 4,750,769
Operating Expenses	\$ 4,208,568	\$ 5,572,916	\$ 4,683,463
Operating Income (Loss)	\$ 372,058	\$ 87,741	\$ 67,306

- Revenues – Budget to Actual:** The Land Bank's 2023 budget anticipated revenues of \$3,206,668 and our actual revenues were \$4,580,626, a variance of \$1,373,958 in our favor – 43% higher than anticipated. This variance mostly consists of:
 - nearly \$660,000 in government grants (previously budgeted for 2022, but not actually spent until 2023; income is booked at the time of expense, so this income was booked in 2023. It is mostly offset by expenses)
 - ~\$75,000 in donations for The Castle
 - \$337,000 more than anticipated in sales revenue
 - \$182,151 – the value of property foreclosed upon due to defaulted enforcement mortgages. This isn't actual cash income, it's nearly 100% offset by added expense (minus \$10,000 paid in exchange for a deed in lieu), and we don't budget for it.
- Expenses – Budget to Actual:** The Land Bank's 2023 budget anticipated \$3,131,198 in expenses and our actual expenses totaled \$4,208,568, a variance of \$1,077,370 or about 34% over budget. This is mostly comprised of:
 - ~\$221,000 in lawn maintenance
 - \$490,000 in demolitions offset by income above
 - \$192,000 – value of foreclosed property largely offset above

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

	2023	2022	2021
Assets:			
Current assets	\$ 4,413,392	\$ 4,873,438	\$ 5,547,869
Capital assets	6,735	33,868	1,242
Other noncurrent assets	<u>95,687</u>	<u>80,126</u>	<u>82,519</u>
Total assets	<u>4,515,814</u>	<u>4,987,432</u>	<u>5,631,630</u>
Liabilities:			
Current liabilities	892,131	1,745,620	2,492,424
Noncurrent liabilities	<u>-</u>	<u>6,735</u>	<u>-</u>
Total liabilities	<u>892,131</u>	<u>1,752,355</u>	<u>2,492,424</u>
Net Position:			
Net investment in capital assets	-	193	1,242
Unrestricted	<u>3,623,683</u>	<u>3,234,884</u>	<u>3,137,964</u>
Total net position	<u>\$ 3,623,683</u>	<u>\$ 3,235,077</u>	<u>\$ 3,139,206</u>

Current Assets

Current assets at December 31, 2023 were comprised mostly of cash, restricted grant funds, and inventory. Cash on hand less any liabilities and plus contract receivables at the end of 2023 totaled \$2,231,028, sufficient to cover more than 10 months of operating expenses (not inclusive of demolitions or other expenses such as renovations and stabilization that are typically only undertaken using restricted grant funds).

Inventory

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

In 2023, the Land Bank acquired 42 properties; these include 24 via City of Syracuse foreclosure proceedings, 13 defaults on enforcement mortgages (via deed in lieu or foreclosure auction), 3 City-owned transfers, and 2 private donations. For donated properties, which are acquired at no cost, an estimated fair market value is booked to inventory at the time of acquisition.

Capital Assets

Capital assets at December 31, 2023, December 31, 2022, and December 31, 2021, were comprised of property, furniture and equipment that was purchased and capitalized during the years in accordance with the Corporation's capitalization policy.

Current Liabilities

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

Summary of Revenues, Expenses, and Change in Net Position

	<u>2023</u>	<u>% of Total</u>	<u>2022</u>	<u>% of Total</u>	<u>2021</u>	<u>% of Total</u>
Operating Revenues:						
Grant and government						
subsidy revenue	\$ 2,834,385	61.88%	\$ 4,169,224	73.65%	\$ 3,048,293	64.16%
Sale of property	1,337,040	29.19%	1,226,456	21.67%	1,330,596	28.01%
Rental revenue	35,270	0.77%	29,350	0.52%	24,901	0.52%
Other revenue	4,927	0.11%	4,375	0.08%	37,082	0.78%
Project extension fees	77,575	1.69%	119,010	2.10%	80,302	1.69%
Contributions revenue	74,410	1.62%	47,685	0.84%	109,500	2.30%
Dev. enforcement mtg.						
foreclosures	182,151	3.98%	64,557	1.14%	-	0.00%
Defaulting on residency						
requirements	34,868	0.76%	-	0.00%	-	0.00%
PPP forgiveness	<u>-</u>	0.00%	<u>-</u>	0.00%	<u>120,095</u>	2.54%
Total operating revenues	<u>4,580,626</u>		<u>5,660,657</u>		<u>4,750,769</u>	
Operating Expenses:						
Cost of sales	2,320,334	55.13%	3,790,116	68.01%	2,830,843	60.44%
Unrealized loss on inventory	503,816	11.97%	507,656	9.11%	373,173	7.97%
Relocation assistance	52,607	1.25%	40,544	0.73%	13,003	0.28%
Special assessment	4,030	0.10%	370	0.01%	7,210	0.15%
General & admin expenses	52,591	1.25%	50,785	0.91%	46,073	0.98%
Professional services	198,447	4.72%	200,390	3.60%	423,320	9.04%
Salaries, wages and related						
expenses	704,212	16.73%	640,600	11.49%	649,900	13.88%
Advertising	60,351	1.43%	9,671	0.17%	15,414	0.33%
Insurance	271,263	6.45%	286,107	5.13%	282,528	6.03%
Rent	-	0.00%	1,796	0.03%	33,321	0.71%
Travel	13,784	0.33%	16,892	0.30%	7,392	0.16%
Depreciation & amortization	<u>27,133</u>	0.64%	<u>27,989</u>	0.51%	<u>1,286</u>	0.03%
Total operating expenses	<u>4,208,568</u>		<u>5,572,916</u>		<u>4,683,463</u>	
Operating Income (Loss)	<u>372,058</u>		<u>87,741</u>		<u>67,306</u>	
Non-Operating Income						
(Expense):						
Miscellaneous	<u>8,748</u>		<u>7,979</u>		<u>11,115</u>	
Contributions	<u>7,800</u>		<u>151</u>		<u>66,069</u>	
Change in Net Position	<u>\$ 388,606</u>		<u>\$ 95,871</u>		<u>\$ 144,490</u>	

Operating Revenues

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

Operating Expenses

Operating expenses in 2023 are mostly comprised of cost of sales, salaries and wages, insurance, and professional services.

Cost of sales includes property acquisition and stabilization costs as well as demolitions and ongoing expenses associated with property maintenance. The number of full-time staff remained at 8 in 2023.

Operating Results

Below are the Corporation's operating income (loss), non-operating income (loss), contributions, change in net position, and net position at December 31, 2023, December 31, 2022, and December 31, 2021, respectively:

	2023	2022	2021
Operating Income (Loss)	\$ 372,058	\$ 87,741	\$ 67,306
Non-Operating Income (Loss)	\$ 8,748	\$ 7,979	\$ 11,115
Contributions	\$ 7,800	\$ 151	\$ 66,069
Change in Net Position	\$ 388,606	\$ 95,871	\$ 114,490
Net Position	\$ 3,623,683	\$ 3,235,077	\$ 3,139,206

Capital Asset Administration

Below are the Corporation's investment in capital assets (net of accumulated depreciation) at December 31, 2023, December 31, 2022, and December 31, 2021, respectively. This investment includes furniture, equipment, computer hardware, and small amounts of software.

	2023	2022	2021
Capital assets, being depreciated, net:			
Furniture and equipment	\$ <u>-</u>	\$ <u>193</u>	\$ <u>1,242</u>
Lease assets, being amortized, net:			
Office space	<u>6,735</u>	<u>33,675</u>	<u>-</u>
Deduct:			
Short-term portion of lease liabilities	<u>(6,735)</u>	(26,940)	-
Long-term portion of lease liabilities	<u>-</u>	<u>(6,735)</u>	<u>-</u>
Total deductions	<u>(6,735)</u>	<u>(33,675)</u>	<u>-</u>
Net investment in capital assets	\$ <u>-</u>	\$ <u>193</u>	\$ <u>1,242</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 at kwright@syracuselandsbank.org.

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

Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,547,399	\$ 3,029,030
Accounts receivable	500	400
Grant and government subsidy receivable	575,760	-
Note receivable, current portion	7,384	2,200
Inventory	607,209	664,237
Prepaid expenses	68,367	69,917
Restricted cash	<u>606,773</u>	<u>1,107,654</u>
Total current assets	<u>4,413,392</u>	<u>4,873,438</u>
NONCURRENT ASSETS:		
Note receivable, net of current portion	95,687	80,126
Capital assets, net	<u>6,735</u>	<u>33,868</u>
Total assets	<u>4,515,814</u>	<u>4,987,432</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	202,401	70,468
Accrued expenses	43,654	510,111
Lease liability, current portion	6,735	26,940
Grant and government subsidy revenue advance	523,479	1,006,950
Contribution revenue advances	83,294	100,704
Other liabilities	<u>32,568</u>	<u>30,447</u>
Total current liabilities	<u>892,131</u>	<u>1,745,620</u>
NONCURRENT LIABILITIES:		
Lease liability, net of current portion	<u>-</u>	<u>6,735</u>
Total liabilities	<u>892,131</u>	<u>1,752,355</u>
NET POSITION		
Net investment in capital assets	-	193
Unrestricted	<u>3,623,683</u>	<u>3,234,884</u>
Total net position	<u>\$ 3,623,683</u>	<u>\$ 3,235,077</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:		
Grant and government subsidy revenue	\$ 2,834,385	\$ 4,169,224
Sale of property	1,337,040	1,226,456
Rent revenue	35,270	29,350
Project extension fees	77,575	119,010
Contributions revenue	74,410	47,685
Development enforcement mortgage foreclosures	182,151	64,557
Defaulting on residency requirements	34,868	-
Other revenue	4,927	4,375
	<u>4,580,626</u>	<u>5,660,657</u>
OPERATING EXPENSES:		
Cost of sales	2,320,334	3,790,116
Unrealized loss on inventory	503,816	507,656
Relocation assistance	52,607	40,544
Special assessment	4,030	370
Salaries, wages and related expenses	704,212	640,600
Insurance	271,263	286,107
Professional services	198,447	200,390
General and administrative expenses	52,591	50,785
Rent	-	1,796
Advertising	60,351	9,671
Depreciation and amortization	27,133	27,989
Travel	13,784	16,892
	<u>4,208,568</u>	<u>5,572,916</u>
OPERATING INCOME (LOSS)	<u>372,058</u>	<u>87,741</u>
NON-OPERATING INCOME:		
Miscellaneous income	<u>8,748</u>	<u>7,979</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>380,806</u>	<u>95,720</u>
CONTRIBUTIONS:		
Inventory contributions	<u>7,800</u>	<u>151</u>
Total contributions	<u>7,800</u>	<u>151</u>
CHANGE IN NET POSITION	388,606	95,871
NET POSITION - beginning of year	<u>3,235,077</u>	<u>3,139,206</u>
NET POSITION - end of year	<u>\$ 3,623,683</u>	<u>\$ 3,235,077</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grant and government subsidies	\$ 1,775,154	\$ 3,760,220
Cash received from contributions	57,000	47,685
Cash received from property sales	1,316,295	1,228,881
Cash received from rent	35,170	29,950
Cash received from other revenue	4,927	4,375
Cash received from defaulting on residency requirements	34,868	-
Cash received from project extensions	77,575	119,010
Cash paid for inventory	(2,903,897)	(4,331,807)
Cash paid for general and administrative expenses	(57,899)	(66,263)
Cash paid for professional services	(199,480)	(262,486)
Cash paid for salaries, wages and related expenses	(703,548)	(640,725)
Cash paid for advertising	(60,351)	(9,671)
Cash paid for insurance	(269,713)	(286,873)
Cash paid for rent	-	(1,796)
Cash paid for relocation assistance and special assessment	(56,637)	(40,914)
Cash paid for travel	(13,784)	(16,892)
	<u>(964,320)</u>	<u>(467,306)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash payments for principal portion of lease liability	(26,940)	(26,940)
	<u>(26,940)</u>	<u>(26,940)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net miscellaneous income (expense)	8,748	7,979
	<u>8,748</u>	<u>7,979</u>
CHANGE IN CASH	(982,512)	(486,267)
CASH - beginning of year	<u>4,136,684</u>	<u>4,622,951</u>
CASH - end of year	<u>\$ 3,154,172</u>	<u>\$ 4,136,684</u>
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION:		
Cash	\$ 2,547,399	\$ 3,029,030
Restricted cash	606,773	1,107,654
	<u>\$ 3,154,172</u>	<u>\$ 4,136,684</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ 372,058	\$ 87,741
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:		
Depreciation and amortization	27,133	27,989
Inventory acquired through contributions	7,800	151
Changes in:		
Accounts receivable	(100)	600
Grant and government subsidy receivable	(575,760)	326,411
Note receivable	(20,745)	2,425
Inventory	57,028	(138,113)
Prepaid expenses	1,550	(766)
Accounts payable	131,933	(462,580)
Accrued expenses	(466,457)	412,928
Grant and government subsidy revenue advance	(483,471)	(705,564)
Contribution revenue advances	(17,410)	(29,851)
Other liabilities	2,121	11,323
	<u>\$ (964,320)</u>	<u>\$ (467,306)</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, 2023 AND 2022

1. ORGANIZATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial principles.

Measurement Focus and Basis of Accounting

The Corporation operates as a proprietary fund. Proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

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

Estimates

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

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

Cash

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

The Corporation had a bank balance of \$3,171,797 at December 31, 2023 of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$2,921,797 was collateralized with securities held by the pledging financial institution in the Corporation's name. A bank balance of \$4,148,036 was held at December 31, 2022 of which \$250,000 was insured by the FDIC and \$3,898,036 was collateralized with securities held by the pledging financial position in the Corporation's name.

Restricted Cash

Certain amounts of cash are classified as restricted because their use is restricted by grant agreements. Restricted cash balances have been offset by grant and government subsidy revenue advances at December 31, 2023 and 2022.

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, 2023 and 2022.

Notes Receivable

The Corporation holds two notes receivable related to property sales. See Note 4 for more information. Management does not believe an allowance for doubtful accounts is necessary.

Inventory

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

Prepaid Expenses

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

Capital Assets

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

Capital assets also include lease assets with a term greater than one year. The Corporation does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant and Government Subsidy Revenue Advance

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

Contribution Revenue Advances

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

Operating and Non-Operating Revenues and Expenses

As a business-type activity, the Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues are mostly comprised of grant and government subsidy revenue resulting from exchange transactions associated with the principal activities of the Corporation. Other sources of operating revenues include sales of property, rental revenue, project extension fees, contributions revenue, development enforcement mortgage foreclosures, and defaulting on residency requirements. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Corporation's mission. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Development Enforcement Mortgage Foreclosures

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

Defaulting on Residency Requirements

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

Unrealized Loss on Inventory

Deterioration, damage, changing prices, and other factors have caused certain inventory's cost to exceed its market value. In accordance with GAAP, inventory has been reduced to market value and an unrealized loss has been recognized in both December 31, 2023 and 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Contributions

The Corporation received contributions of property (recorded as inventory contributions equal to the market value of the property) during the fiscal years ending December 31, 2023 and 2022. These amounts are reflected in the statements of revenues, expenses and change in net position.

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation does not have restricted net position at December 31, 2023 and 2022.
- c. Unrestricted net position – all other net position that does not meet the definition of net investment in capital assets or restricted net position.

It is the Corporation's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

3. CAPITAL ASSETS

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

	<u>Balance at January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at December 31</u>
Capital assets, being depreciated:				
Furniture and equipment	\$ 32,831	\$ -	\$ -	\$ 32,831
Total capital assets, being depreciated	<u>32,831</u>	<u>-</u>	<u>-</u>	<u>32,831</u>
Less: Accumulated depreciation for:				
Furniture and equipment	<u>(32,638)</u>	<u>(193)</u>	<u>-</u>	<u>(32,831)</u>
Total accumulated depreciation	<u>(32,638)</u>	<u>(193)</u>	<u>-</u>	<u>(32,831)</u>
Total capital assets, being depreciated, net	<u>193</u>	<u>(193)</u>	<u>-</u>	<u>-</u>
Lease assets, being amortized:				
Office space	<u>60,615</u>	<u>-</u>	<u>-</u>	<u>60,615</u>
Total lease assets, being Amortized	<u>60,615</u>	<u>-</u>	<u>-</u>	<u>60,615</u>
Less: Accumulated amortization for:				
Office space	<u>(26,940)</u>	<u>(26,940)</u>	<u>-</u>	<u>(53,880)</u>
Total accumulated amortization	<u>(26,940)</u>	<u>(26,940)</u>	<u>-</u>	<u>(53,880)</u>
Total lease assets, being amortized, net	<u>33,675</u>	<u>(26,940)</u>	<u>-</u>	<u>6,735</u>
Capital assets, net	<u>\$ 33,868</u>	<u>\$ (27,133)</u>	<u>\$ -</u>	<u>\$ 6,735</u>

3. CAPITAL ASSETS (Continued)

The Corporation's capital assets activity for the year ended December 31, 2022 was as follows:

	<u>Balance at January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at December 31</u>
Capital assets, being depreciated:				
Furniture and equipment	\$ 32,831	\$ -	\$ -	\$ 32,831
Total capital assets, being depreciated	<u>32,831</u>	<u>-</u>	<u>-</u>	<u>32,831</u>
Less: Accumulated depreciation for:				
Furniture and equipment	<u>(31,589)</u>	<u>(1,049)</u>	<u>-</u>	<u>(32,638)</u>
Total accumulated depreciation	<u>(31,589)</u>	<u>(1,049)</u>	<u>-</u>	<u>(32,638)</u>
Total capital assets, being depreciated, net	<u>1,242</u>	<u>(1,049)</u>	<u>-</u>	<u>193</u>
Lease assets, being amortized:				
Office space	<u>-</u>	<u>60,615</u>	<u>-</u>	<u>60,615</u>
Total lease assets, being amortized	<u>-</u>	<u>60,615</u>	<u>-</u>	<u>60,615</u>
Less: accumulated amortization for:				
Office space	<u>-</u>	<u>(26,940)</u>	<u>-</u>	<u>(26,940)</u>
Total Accumulated amortization	<u>-</u>	<u>(26,940)</u>	<u>-</u>	<u>(26,940)</u>
Total lease assets, being amortized, net	<u>-</u>	<u>33,675</u>	<u>-</u>	<u>33,675</u>
Capital assets, net	<u>\$ 1,242</u>	<u>\$ 32,626</u>	<u>\$ -</u>	<u>\$ 33,868</u>

4. NOTES RECEIVABLE

On November 1, 2020, the Corporation entered into a note receivable agreement for \$87,000 to be paid back in monthly installments of \$675, including interest at 7% through November 1, 2040.

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

The notes receivable balances totaled \$103,071 and \$82,326 at December 31, 2023 and 2022, respectively.

Maturities of the notes receivable at December 31, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,384	\$ 7,830	\$ 15,214
2025	7,165	6,673	13,838
2026	7,743	6,095	13,838
2027	8,366	5,472	13,838
2028-2032	23,326	20,985	44,311
2033-2037	27,790	12,681	40,471
2038-2040	<u>21,297</u>	<u>4,220</u>	<u>25,517</u>
Total	<u>\$ 103,071</u>	<u>\$ 63,956</u>	<u>\$ 167,027</u>

5. INTERMUNICIPAL AGREEMENT

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

6. TRANSACTIONS WITH PRIMARY GOVERNMENT

The Corporation and the City entered into various grant agreements in 2023 and 2022. The Corporation recognized \$2,834,385 and \$4,169,224 of grant and government revenue for the years ended December 31, 2023 and 2022, respectively. Related to these agreements, \$318,526 was due from the City to the Corporation at December 31, 2023. No such amounts were due at December 31, 2022. These amounts are included in grant and government subsidy receivable on the statements of net position.

7. LOAN GUARANTEE PROGRAM

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

9. RECLASSIFICATIONS

Certain amounts in the 2022 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassifications did not have any effect on total net position or change in net position as previously reported.

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 28, 2024

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York, (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

March 28, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank (the Corporation), a discretely presented component unit of the City of Syracuse, New York (the City), as of and for the year ended December 31, 2023, 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 28, 2024.

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

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

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March 28, 2024

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

We have audited 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) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated January 2, 2024. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 2 to the financial statements. No new accounting policies, having material impact, were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The estimated useful lives of depreciable capital assets
- Valuation of inventory

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were identified that would warrant communication.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of our Independent Auditor's Report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

RESTRICTION ON USE

This information is intended solely for the use of the Board of Directors and management of the Greater Syracuse Property Development Corporation d/b/a Greater Syracuse Land Bank and is not intended to be, and should not be, used by anyone other than these specified parties.