

**WILMINGTON NEIGHBORHOOD
CONSERVANCY LAND BANK CORPORATION**
(A Component Unit of the City of Wilmington, Delaware)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2024 AND 2023

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION

(A Component Unit of the City of Wilmington, Delaware)

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Independent Auditor's Report

To the Board of Directors
Wilmington Neighborhood Conservancy
Land Bank Corporation

Opinion

We have audited the accompanying financial statements of Wilmington Neighborhood Conservancy Land Bank Corporation (Land Bank), a component unit of the City of Wilmington, Delaware, as of and for the years ended December 31, 2024 and 2023, and the related notes to the 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 Land Bank as of December 31, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Land Bank, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

To the Board of Directors
Wilmington Neighborhood Conservancy
Land Bank Corporation

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 Land Bank's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Land Bank'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 Land Bank'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.

To the Board of Directors
Wilmington Neighborhood Conservancy
Land Bank Corporation

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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 September 30, 2025, on our consideration of the Land Bank'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 Land Bank'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 Land Bank's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

September 30, 2025
Wilmington, Delaware

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Our discussion and analysis of the financial performance of the Wilmington Neighborhood Conservancy Land Bank Corporation (Land Bank), a component unit of the City of Wilmington, Delaware, provides an overview of the Land Bank's significant financial activities for the years ended December 31, 2024 and 2023. Please read it in conjunction with the financial statements, which begin on page 10, for a comprehensive understanding of the reports.

FINANCIAL HIGHLIGHTS

The Land Bank's assets increased in the year ended December 31, 2024 to \$9,052,955 due to the increase in grant funding which enabled the purchase and rehabilitation of more properties.

The Land Bank's liabilities increased in the year ended December 31, 2024 to \$2,897,470 due to deferred grant awards where cash was received before qualifying expenses were incurred.

The Land Bank's unrestricted net position increased in the year ended December 31, 2024 to \$4,686,175, restricted net position decreased to \$182,417.

While the Land Bank's activities continued to increase during the year ended December 31, 2024, the Land Bank's operating expenses decreased to \$5,253,772, as a result of decreased property related expenses and increased staffing.

During the year ended 2024, the Land Bank's net cash from operating activities increased to \$2,186,193 as a result of government grant receipts.

The Land Bank's assets increased in the year ended December 31, 2023 to \$4,840,876 due to the increase in grant funding which enabled the purchase of more properties.

The Land Bank's liabilities increased in the year ended December 31, 2023 to \$2,274,536 due to deferred grant awards where cash was received before qualifying expenses were incurred.

The Land Bank's total net position increased in the year ended December 31, 2023 to \$2,566,340, restricted net position decreased to \$48,358.

In the year ended December 2023, the Land Bank's operating expenses increased to \$7,704,458, as a result of increased property related expenses and increased staffing.

During the year ended 2023, the Land Bank's net cash from operating activities decreased to \$509,476 as a result of reductions government grant receipts.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
DECEMBER 31, 2024

USING THIS FINANCIAL REPORT

The discussion and analysis are intended to serve as an introduction to the basic financial statements of the Land Bank. The annual financial report is comprised of two components: management's discussion and analysis and the basic financial statements (including related notes to the financial statements).

The financial statements are designed to provide readers with a broad overview of the finances of the Land Bank in a manner similar to private-sector business. These statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units on the accrual basis. Under this basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period they are incurred.

The Land Bank is a 501(c)(3) nonstock corporation; however, it meets the definition of a governmental entity for financial reporting purposes. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Statement of Net Position - Presents information on all of the Land Bank's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the Land Bank's net position are indicators of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Land Bank, consideration of nonfinancial factors such as the Land Bank's ability to continue receiving funding from the City of Wilmington, other governmental agencies, corporate contributors, and City Council's continued intent to transfer properties into the Land Bank inventory.

The Statement of Revenues, Expenses, and Net Position - Presents information on how the Land Bank's net position is derived. All revenue and expenses pertaining to the years ended December 31, 2024 and 2023, are taken into consideration regardless of when cash is received or paid.

The Statement of Cash Flows - Provides information about the sources and uses of cash during the year resulting from operating, investing, capital, and related financial activities.

BASIC FINANCIAL STATEMENTS

The Land Bank's audited Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows are presented on pages 11 through 14.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
DECEMBER 31, 2024

BASIC FINANCIAL STATEMENTS - CONTINUED

The Land Bank's net position as of December 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,125,623	\$ 2,930,053	\$ 2,338,319
Receivables	125,000	137,246	714,225
Prepaid Expenses	650	-	-
Mortgage Receivable	62,500	-	-
Property Held For Sale, Net	143,100	230,470	188,175
Property Acquisition Deposit	15,265	17,265	65,265
Property Held for Development, Net	1,211,389	1,133,830	409,422
Security Deposits	799	797	1,645
Property Held for Future Use, Net	1,081,736	390,466	366,871
Capital Assets, Net	<u>1,286,893</u>	<u>749</u>	<u>3,745</u>
TOTAL ASSETS	<u><u>\$ 9,052,955</u></u>	<u><u>\$ 4,840,876</u></u>	<u><u>\$ 4,087,667</u></u>
LIABILITIES			
Accounts Payable and Accrued Expense	\$ 269,351	\$ 184,033	\$ 95,768
Unearned Revenue	2,541,473	1,410,699	1,481,930
Pollution Remediation Obligation	85,851	86,509	128,980
Security Deposits	795	795	1,645
Notes Payable and Accrued Interest	<u>-</u>	<u>592,500</u>	<u>159,794</u>
TOTAL LIABILITIES	<u><u>2,897,470</u></u>	<u><u>2,274,536</u></u>	<u><u>1,868,117</u></u>
NET POSITION			
Net Investment in Capital Assets	1,286,893	749	3,745
Restricted	182,417	48,358	74,178
Unrestricted	<u>4,686,175</u>	<u>2,517,233</u>	<u>2,141,627</u>
TOTAL NET POSITON	<u><u>6,155,485</u></u>	<u><u>2,566,340</u></u>	<u><u>2,219,550</u></u>
TOTAL LIABILITIES NET POSITON	<u><u>\$ 9,052,955</u></u>	<u><u>\$ 4,840,876</u></u>	<u><u>\$ 4,087,667</u></u>

The Land Bank's accounts payable, as of December 31, 2024 and 2023, primarily consist of charges on properties owned by the Land Bank.

The Land Bank has \$182,417 and \$48,358 of restricted net position as of December 31, 2024 and 2023, respectively. These funds, received from corporate contributors, are restricted to specific projects and purposes.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
DECEMBER 31, 2024

BASIC FINANCIAL STATEMENTS - CONTINUED

Change in Net Position - The Land Bank's change in net position for the years ended December 31, 2024, and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
REVENUES			
Operating Revenue			
Government Grants	\$ 5,040,084	\$ 7,012,166	\$ 5,678,017
Corporate Contributions, Net	383,333	14,400	5,000
Contributions	6,000	12,000	14,000
Contributed Property	10,200	27,900	60,000
Sale of Property	1,605,995	967,067	92,659
Other Revenue	<u>7,158</u>	<u>17,715</u>	<u>84,507</u>
TOTAL REVENUES	<u>7,052,770</u>	<u>8,051,248</u>	<u>5,934,183</u>
EXPENSES			
Property Expenses	4,411,320	6,949,481	3,682,178
Grants	105,400	241,916	82,183
Personnel	360,828	310,476	318,488
Pollution Remediation Expense	92,566	(8,404)	99,300
Rent	22,635	14,350	17,451
Contract Services	89,921	37,637	36,654
Administrative	122,758	98,395	31,330
Depreciation	749	2,996	4,244
Insurance	<u>47,595</u>	<u>56,893</u>	<u>46,143</u>
TOTAL EXPENSES	<u>5,253,772</u>	<u>7,703,740</u>	<u>4,322,111</u>
OPERATING INCOME	<u>1,798,998</u>	<u>347,508</u>	<u>1,612,072</u>
NONOPERATING REVENUES/(EXPENSES)	<u>17,781</u>	<u>(718)</u>	<u>-</u>
CAPITAL GRANTS	<u>1,772,366</u>	<u>-</u>	<u>-</u>
NET POSITION - Beginning of Year	<u>2,566,340</u>	<u>2,219,550</u>	<u>607,478</u>
NET POSITION - End of Year	<u><u>\$ 6,155,485</u></u>	<u><u>\$ 2,566,340</u></u>	<u><u>\$ 2,219,550</u></u>

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
DECEMBER 31, 2024

BASIC FINANCIAL STATEMENTS - CONTINUED

Change in Net Position - Continued

Since its inception through 2024, the Land Bank's activities have produced the following results:

- **395** blighted properties have been sold and repurposed:
 - **167** Investor rehabs sold for affordable homeownership.
 - **46** Investor rehabs sold for affordable rental.
 - **15** Homestead units (homebuyers rehab their own homes).
 - **97** Nonprofit joint affordable housing projects.
 - **25** Neglected lots sold to adjacent neighbors as a side yard.
 - **45** Other community projects completed, including 12 urban gardens.
- **73** Unsafe properties have been demolished, improving neighborhood safety.
- Launched the Lower Hilltop Initiative in June of 2022 with a goal of revitalizing the troubled community by rehabilitating over 50 vacant and dilapidated properties for equitable homeownership opportunities. 20 properties were completely renovated to date.
- Continued our strong alliances with partners that contribute to WNCLBs objectives and support the City of Wilmington's revitalizations goals. Partnerships include: Woodlawn Trustees, the City of Wilmington, Habitat for Humanity, Cinnaire Solutions, Cinnaire Jumpstart Program, Wilmington Housing Authority, Delaware State Housing Authority, Delaware Natural Resources and Environmental Control, Woodlawn Trustees, Latin American Community Center, HelpInitiative, and others.
- Minority Buyers: 92%
- Contractors Utilized - Disadvantaged Business Enterprises (DBE):78%
- Buyers From the City of Wilmington reinvesting in their communities: 55%
- Developed a property inspection program to ensure all properties are completed within a year and adhere to the established benchmarks.
- Created a marketing committee and contracted with a marketing firm to further the Land Bank's activities and communications.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
DECEMBER 31, 2024

BASIC FINANCIAL STATEMENTS - CONTINUED

Change in Net Position – Continued

Since its inception through 2023, the Land Bank’s activities have produced the following results:

- In 2023, the Land Bank collaborated with the City of Wilmington and nonprofit partners to address larger initiatives, advanced the Land Bank operations, and procured American Rescue Plan Act funding.
 - Received \$1.5 M from the State of Delaware ARPA funds for the East Side Initiative.
 - Granted an additional \$750,000 in ARPA funding to further support the East Side Initiative.
 - In the City of Wilmington FY23 Budget, the Land Bank received a \$500,000 grant for operations.
- **361** blighted properties have been sold and repurposed:
 - **127** Investor rehabs sold for affordable homeownership.
 - **39** Investor rehabs sold for affordable rental.
 - **16** Homestead units (homebuyers rehab their own homes).
 - **156** Nonprofit joint affordable housing projects.
 - **23** Neglected lots sold to adjacent neighbors as a side yard.
- Launched the Lower Hilltop Initiative in June of 2022 with a goal of revitalizing the troubled community by rehabilitating over 50 vacant and dilapidated properties for equitable homeownership opportunities.
- Continued our strong alliances with Woodlawn Trustees, the City of Wilmington, Central Baptist Church CDC, Habitat for Humanity, Cornerstone West CDC, Cinnaire, Neighborhood House, and Conscious Connections to collaborate on revitalization initiatives in the City of Wilmington’s troubled neighborhoods.
- Minority Buyers: 85%
- Contractors Utilized - Disadvantaged Business Enterprises (DBE):85%
- Buyers From the City of Wilmington reinvesting in their communities: 52%
- Developed a property inspection program to ensure all properties are completed within a year and adhere to the established benchmarks.
- Created a marketing committee and contracted with a marketing firm to further the Land Bank’s activities and communications.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
DECEMBER 31, 2024

BASIC FINANCIAL STATEMENTS - CONTINUED

Funding - The Land Bank has entered a 10-year Memorandum of Understanding with the City of Wilmington, Delaware that includes a nonbinding \$1,500,000 annual funding intent. This funding intent was made to support the Land Bank's initial startup and operations for the ten-year period. The Land Bank is responsible for acquiring additional funding through other governmental agencies and through private and charitable sources.

Of primary concern, however, is the long-term viability of the 10-year Memorandum of Understanding with the City of Wilmington, Delaware. The Land Bank did not receive City funds in 2018 or 2019. Since 2021, the Land Bank has received annual grants from the City of Wilmington, Delaware to support operations. American Rescue Plan Act grants were awarded by the City of Wilmington, Delaware totaling \$4,860,000.

Notes to the Financial Statements - The notes to the financial statements are an integral part of the financial statements and should be thoroughly read for a complete detailed understanding of the financial position and activities of the Land Bank.

Requests for Information - This financial data is designed to provide a general overview of the Land Bank's finances for all those with an interest in the Land Bank's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Wilmington Neighborhood Conservancy Land Bank Corporation, 226 N. Franklin Street, Wilmington, Delaware 19805.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

ASSETS		
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,432,107	\$ 1,972,232
Restricted Cash and Cash Equivalents	2,693,516	957,821
Grants Receivable	125,000	137,246
Prepaid Expenses	650	-
Mortgage Receivable	62,500	-
Property Available for Sale, Net	143,100	230,470
Property Held for Development, Net	1,211,389	1,133,830
Property Acquisition Deposit	15,265	17,265
TOTAL CURRENT ASSETS	<u>6,683,527</u>	<u>4,448,864</u>
NONCURRENT ASSETS		
Security Deposits	799	797
Property Held for Future Use, Net	1,081,736	390,466
Capital Assets, Net	1,286,893	749
TOTAL NONCURRENT ASSETS	<u>2,369,428</u>	<u>392,012</u>
TOTAL ASSETS	<u><u>\$ 9,052,955</u></u>	<u><u>\$ 4,840,876</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expense	\$ 269,351	\$ 184,033
Unearned Revenue	2,541,473	1,410,699
Pollution Remediation Obligation	85,851	86,509
Note Payable - Current Maturities	-	360,000
TOTAL CURRENT LIABILITIES	<u>2,896,675</u>	<u>2,041,241</u>
NONCURRENT LIABILITIES		
Security Deposits	795	795
Note Payable - Net of Current Maturities	-	232,500
TOTAL NONCURRENT LIABILITIES	<u>795</u>	<u>233,295</u>
TOTAL LIABILITIES	<u>2,897,470</u>	<u>2,274,536</u>
NET POSITION		
Net Investment in Capital Assets	1,286,893	749
Restricted for Program Activities	182,417	48,358
Unrestricted	4,686,175	2,517,233
TOTAL NET POSITION	<u>6,155,485</u>	<u>2,566,340</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 9,052,955</u></u>	<u><u>\$ 4,840,876</u></u>

The accompanying notes are an integral part of these financial statements.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Government Grants	\$ 5,040,084	\$ 7,012,166
Corporate Contributions, Net	383,333	14,400
Contributions	6,000	12,000
Contributed Property	10,200	27,900
Sale of Property	1,605,995	967,067
Other Revenue	7,158	17,715
	<u>7,052,770</u>	<u>8,051,248</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Property Expenses	4,411,320	6,949,481
Grants	105,400	241,916
Personnel	360,828	310,476
Pollution Remediation Expense/(Recovery)	92,566	(8,404)
Rent	22,635	14,350
Contract Services	89,921	37,637
Administrative	122,758	98,395
Depreciation	749	2,996
Insurance	47,595	56,893
	<u>5,253,772</u>	<u>7,703,740</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME	<u>1,798,998</u>	<u>347,508</u>
NONOPERATING REVENUES/(EXPENSES)		
Interest Expense	(260)	(720)
Interest Income	18,041	2
	<u>17,781</u>	<u>(718)</u>
TOTAL NONOPERATING REVENUES/(EXPENSES)		
NET INCOME BEFORE CAPITAL GRANTS	1,816,779	346,790
CAPITAL GRANTS		
Capital Grants - Government	1,772,366	-
NET CHANGE IN NET POSITION	3,589,145	346,790
NET POSITION - Beginning of Year	<u>2,566,340</u>	<u>2,219,550</u>
NET POSITION - End of Year	<u><u>\$ 6,155,485</u></u>	<u><u>\$ 2,566,340</u></u>

The accompanying notes are an integral part of these financial statements.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Government Grants	\$ 6,214,880	\$ 7,477,597
Receipts from Corporate Grants	258,333	14,400
Miscellaneous Receipts	7,158	23,965
Payments to Employees	(360,828)	(310,476)
Payments to Suppliers	(277,559)	(437,191)
Sale of Property	1,543,495	967,067
Acquisition and Development of Property	<u>(5,199,287)</u>	<u>(7,225,616)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>2,186,193</u>	<u>509,746</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest Paid	(260)	(10,514)
Payments made on Notes Payable	(242,500)	(157,500)
Proceeds from Notes Payable	<u>-</u>	<u>250,000</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>(242,760)</u>	<u>81,986</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Receipts from Government Grants	<u>1,422,366</u>	<u>-</u>
NET CASH FROM CAPITAL FINANCING ACTIVITIES	<u>1,422,366</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	18,039	2
Capital Asset Construction	<u>(1,188,268)</u>	<u>-</u>
NET CASH FROM INVESTING ACTIVITIES	<u>(1,170,229)</u>	<u>2</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,195,570	591,734
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,930,053</u>	<u>2,338,319</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 5,125,623</u></u>	<u><u>\$ 2,930,053</u></u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and Cash Equivalents	\$ 2,432,107	\$ 1,972,232
Restricted Cash and Cash Equivalents	<u>2,693,516</u>	<u>957,821</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 5,125,623</u></u>	<u><u>\$ 2,930,053</u></u>

The accompanying notes are an integral part of these financial statements.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH		
Operating Income (Loss)	\$ 1,798,998	\$ 347,508
Adjustments to Reconcile Operating Income (Loss)		
To Net Cash Provided By Operations		
Depreciation Expense	749	2,996
Subsidy Allowance on Properties Held	(1,210,815)	3,474,662
Cost of Property Sold	5,633,443	3,327,260
Contributed Property Revenue	(10,200)	(27,900)
Changes in Operating Assets and Liabilities		
Other Receivables	-	6,250
Mortgages Receivable	(62,500)	-
Government Grants Receivable	12,246	570,729
Property Held	(5,097,886)	(7,214,322)
Property Acquisition Deposit	2,000	48,000
Accounts Payable and Accrued Expense	(9,308)	88,265
Unearned Revenue	1,130,774	(71,231)
Prepaid Expense	(650)	-
Enviromental Liability	(658)	(42,471)
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 2,186,193</u></u>	<u><u>\$ 509,746</u></u>
NONCASH NONCAPITAL FINANCING ACTIVITIES		
Note Payable Issued for Property Acquisition	<u><u>\$ -</u></u>	<u><u>\$ 350,000</u></u>
Note Payable Satisfied by the City of Wilmington	<u><u>\$ 350,000</u></u>	<u><u>\$ -</u></u>
NONCASH INVESTING ACTIVITIES		
Accrued Capital Asset Construction	<u><u>\$ 94,626</u></u>	<u><u>\$ -</u></u>
Capital Assets Withdrawn from Inventory	<u><u>\$ 1,282,393</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Title 31 Chapter 47 of the Delaware Code, *Delaware Neighborhood Conservation and Land Banking Act*, enables political subdivisions of the State of Delaware to create “land banks” for the purpose of returning vacant, abandoned, and delinquent properties to productive use. On November 19, 2015, the City of Wilmington Ordinance No. 15-040 was passed into law to create the Wilmington Neighborhood Conservancy Land Bank Corporation (Land Bank). On March 3, 2016, the Land Bank was incorporated.

The Land Bank’s mission is to return vacant, dilapidated, abandoned, and tax delinquent properties to productive use in order to strengthen and revitalize neighborhoods of the City of Wilmington, Delaware and to spur economic development. The Land Bank will:

- Acquire or receive properties within the City of Wilmington, Delaware.
- Purchase tax liens encumbering tax delinquent property.
- Purchase foreclosed property at sheriff’s sale on the same terms afforded to the foreclosing government.
- Maintain property in accordance with all laws and regulations of the jurisdiction.
- Clear the title to those properties so that new owners are not burdened by old liens.

The Land Bank is governed by a board of directors composed of 15 members. The board of directors is the sole governing body of the Land Bank and has the power to adopt, amend, or repeal bylaws for the Land Bank. Upon dissolution, the Land Bank’s net position will revert to the City of Wilmington, Delaware.

Financial Reporting - The Land Bank is considered a government entity for financial reporting purposes; therefore, the Land Bank presents its financial statements in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Land Bank considers itself to be a special purpose governmental organization engaged only in business-type activities.

Component Unit - The Land Bank is a component unit of the City of Wilmington, Delaware.

Measurement Focus and Basis of Accounting - The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. All pass-through funding is recognized as revenue when the related costs are incurred. Such costs include costs of acquisition and rehabilitation of certain real property to be alternately conveyed to program beneficiaries.

The Land Bank records all revenues derived and related expenses incurred from its programs and activities as operating revenues and expenses since they are generated from the Land Bank’s daily operations needed to carry out its purposes.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

**NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED**

Measurement Focus and Basis of Accounting - Continued

In its accounting and financial reporting, the Land Bank follows the pronouncements of the GASB and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the statement, the sources of authoritative generally accepted accounting principles (GAAP) are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants (AICPA) cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board, Federal Accounting Standards Advisory Board International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

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 and disclosure of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Land Bank considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables - Receivables consist of government grants and corporate contributions receivable under various City grant programs and pledges from corporate donors. As of December 31, 2024 and 2023, government grants included no bad debt allowance.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED

Property Held - Property held for sale or future use is to be stated at the lower of the cost of acquisition or a fair value, which reflects the land/property true valuation in accordance with GASB Codification Section R30, *Real Estate*. This methodology will be applied to long-held vacant properties, as well as units recently acquired for sale. As of December 31, 2024 and 2023, the Land Bank owned 264 and 280 properties, respectively.

Capital Assets - Equipment is stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. The Land Bank follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed over the estimated useful lives of the respective assets using the straight-line method. The annual depreciation rates are based on the following ranges of useful lives:

Buildings	30 Years
Equipment	3 - 10 Years
Computer Equipment and Software	3 - 5 Years
Furniture and Fixtures	10 Years

Net Position - Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position invested in capital assets, net of related debt, excludes unspent debt proceeds. Net position is reported as restricted when limitations on its use are imposed through external restrictions by creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, the Land Bank uses restricted resources first and then unrestricted resources as needed. Unrestricted net position consists of all other net position not included in the above categories. As of December 31, 2024 and 2023, \$182,417 and \$48,358, respectively, of the Land Bank's net position was restricted.

Income Taxes - The Land Bank is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is presented in these financial statements. In addition, properties held are exempt from real estate taxes.

Income not related to the Land Bank's tax-exempt purpose may be subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America impose a threshold for determining when an income tax benefit can be recognized in regard to uncertain tax positions. The Land Bank has determined that no

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - Continued - liability for uncertain tax positions is required to be accrued and included in the statements of net position as of December 31, 2024 and 2023. The Land Bank's federal Form 990 is subject to examination by the IRS, generally for three years after filing.

Subsequent Events - Management has evaluated subsequent events through the date of the independent auditor's report, which was the date that the financial statements were available to be issued, for possible adjustment to the financial statements or disclosure in the notes to the financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the Land Bank's deposits may not be returned to it. The Land Bank maintains its cash balances in an account at a financial institution. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage up to \$250,000. As of December 31, 2024 and 2023, the uninsured and uncollateralized balances were \$4,666,907 and \$2,686,241, respectively. The Land Bank has no formal policy regarding credit risk for deposits.

NOTE 3: CITY OF WILMINGTON, DELAWARE, GRANT AGREEMENTS

The Land Bank has been awarded various grants by the City of Wilmington, Delaware, for eligible capital and operating expenses. The funding received under this agreement will be recognized as grant income on a cost reimbursement basis. The agreements establish that the Land Bank will be reimbursed for expenditures used in the acquisition of specified properties and related development costs. Certain of the agreements require the Land Bank to obtain approval from the City for every aspect of the acquisition and the subsequent disposal of the properties. This requirement does not expire. The following chart summarizes these grant agreements:

Awarded	Expiration Date	Grant Amount	Revenue		Unearned	
			2024	2023	2024	2023
July 2022	June 30, 2023	500,000	\$ -	\$ 334,956	\$ -	\$ -
July 2023	N/A	1,000,000	-	1,000,000	-	-
December 2023	June 30, 2024	1,000,000	462,998	537,002	-	462,998
April 2024	April 24, 2025	500,000	500,000	-	-	-
September 2024	N/A	1,500,000	922,366	-	577,634	-

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 3: CITY OF WILMINGTON, DELAWARE, GRANT AGREEMENT - CONTINUED

The Land Bank has been awarded various American Rescue Plan Act grants by the City of Wilmington, Delaware. The agreements establish that the Land Bank will be reimbursed for expenditures used in the acquisition of specified properties and related development costs. Certain agreements require the Land Bank to obtain approval from the City for every aspect of the acquisition and the subsequent disposal of the properties. This requirement does not expire. The funding received under these agreements will be recognized as grant income on a cost reimbursement basis. The following chart summarizes these grant agreements:

Awarded	Expiration Date	Grant Amount	Revenue		Unearned	
			2024	2023	2024	2023
May 2022	December 31, 2026	1,000,000	\$ -	\$ 265,272	\$ -	\$ -
November 2022	December 31, 2026	760,000	-	225,311	-	-
May 2023	December 31, 2024	645,000	-	645,000	-	-
July 2023	December 31, 2024	750,000	-	750,000	-	-
August 2023	December 31, 2024	365,000	-	365,000	-	-
September 2023	December 31, 2024	100,000	95,000	-	5,000	100,000

The City of Wilmington, Delaware also provides various services, including demolition of properties to the Land Bank at no cost to the Land Bank. The value of these services is not reasonably determinable for the years ended December 31, 2024 and 2023.

NOTE 4: STATE OF DELAWARE GRANTS

Community Reinvestment Fund Grant Agreement - The Land Bank received a \$500,000 grant from the State of Delaware Community Reinvestment Fund in September 2023 under the Fiscal Year 2024 Bond and Capital Improvements Act (Senate Bill 160) and a \$1,500,000 grant from the State of Delaware Community Reinvestment Fund in July 2024 under the Fiscal Year 2025 Bond and Capital Improvements Act (Senate Bill 475). The awards establish that the funding is eligible for buildings and capital improvement projects. The funding received under this agreement was recognized as grant revenue upon receipt as there is no cost reimbursement or matching clause. The Land Bank is required upon completion of each project to submit a full report detailing the work done, final cost, and an accounting of all funds within 60 days of completion of the project.

American Rescue Plan - State and Local Fiscal Recovery Funds - In August 2022, the Land Bank received a subrecipient grant award of \$4,500,000 from the State of Delaware's American Rescue Plan - State and Local Fiscal Recovery Funds that expires on December 31, 2026. This grant is to address the blight and provide revitalization to the houses around the new Bancroft School in Wilmington, Delaware. The agreement establishes that the Land Bank will expend the advanced funds in accordance with the project plan and relevant federal allowable cost regulations.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 4: STATE OF DELAWARE GRANTS - CONTINUED

American Rescue Plan - State and Local Fiscal Recovery Funds - Continued - As of December 31, 2024 and 2023, the Land Bank had received advanced funding of \$4,500,000 and \$3,000,000, respectively. During the years ended December 31, 2024 and 2023, the Land Bank recognized revenue totaling \$1,524,674 and \$2,024,109, respectively. As of December 31, 2024 and 2023, the unexpended balance of \$809,209 and \$847,701, respectively, is reported as restricted cash and unearned revenue.

American Rescue Plan - State and Local Fiscal Recovery Funds - Hilltop Initiative - In February 2024, the Land Bank received a subrecipient grant award of \$1,500,000 from the State of Delaware's American Rescue Plan - State and Local Fiscal Recovery Funds that expires on December 31, 2026. This grant is to acquire and develop specific properties around the new Bancroft School in Wilmington Delaware and in the Lower Hilltop initiative area. The agreement establishes that the Land Bank will expend the advanced funds in accordance with the project plan and relevant federal allowable cost regulations. As of December 31, 2024, the Land Bank had received advanced funding of \$1,500,000. During the year ended December 31, 2024, the Land Bank recognized revenue totaling \$1,444,995. As of December 31, 2024, the unexpended balance of \$55,005 is reported as restricted cash and unearned revenue.

Hilltop and Westside Grant - In October 2024, the Land Bank received a grant of \$1,000,000 from the State of Delaware that expires on December 31, 2025. This grant is to acquire and develop specific properties in a designated area. The agreement establishes that the Land Bank will expend the advanced funds in accordance with the project plan. As of December 31, 2024, the Land Bank had received advanced funding of \$1,000,000. During the year ended December 31, 2024, the Land Bank recognized no revenue and the unexpended balance of \$1,000,000 is reported as restricted cash and unearned revenue.

Ebert Palmer School Grant - In November 2024, the Land Bank was awarded a grant of \$3,000,000 from the State of Delaware's American Rescue Plan - State and Local Fiscal Recovery Funds that expires on December 31, 2026. This grant is to acquire, demolish, and rehabilitate 20 homes around the Ebert Palmer School. The agreement establishes that the Land Bank will expend the advanced funds in accordance with the project plan. The Land Bank received the funding on March 8, 2025.

Hilltop Grant - In December 2024, the Land Bank was awarded a grant of \$500,000 from the State of Delaware's American Rescue Plan - State and Local Fiscal Recovery Funds that expires on December 31, 2026. This grant is to acquire and develop specific properties in a designated area. The agreement establishes that the Land Bank will expend the advanced funds in accordance with the project plan. The Land Bank received the funding on February 12, 2025.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 5: RISK MANAGEMENT

The Land Bank is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Land Bank carries insurance.

NOTE 6: PROPERTY HELD

The Land Bank's property-held consists of structures and vacant lots to which the Land Bank holds legal title. These properties are either contributed by the City of Wilmington, Delaware, individuals, or other entities, or purchased directly by the Land Bank. The Land Bank's property-held is stated at the lower of the cost of acquisition or a fair value, which reflects the land/property true valuation in accordance with GASB Codification Section R30, *Real Estate*.

	<u>Available for Sale</u>	<u>Held for Future Use</u>	<u>Held for Development</u>
December 31, 2024			
Property Cost/Carrying Value	\$ 3,930,701	\$ 4,728,009	\$ 1,342,258
Less: Subsidy Allowance on Properties Held	<u>(3,787,601)</u>	<u>(3,646,273)</u>	<u>(130,869)</u>
Net Property Held	<u><u>\$ 143,100</u></u>	<u><u>\$ 1,081,736</u></u>	<u><u>\$ 1,211,389</u></u>
December 31, 2023			
Property Cost/Carrying Value	\$ 4,706,028	\$ 3,374,795	\$ 2,449,501
Less: Subsidy Allowance on Properties Held*	<u>(4,475,558)</u>	<u>(2,984,329)</u>	<u>(1,315,671)</u>
Net Property Held	<u><u>\$ 230,470</u></u>	<u><u>\$ 390,466</u></u>	<u><u>\$ 1,133,830</u></u>

The inventory basis of the property held for sale and held for development includes the purchase price plus any additional costs incurred to prepare the property for disposition. These costs include closing costs, demolition, clean-up, and other various property-related costs. The inventory subsidy allowance represents the difference between the estimated disposal price and the inventory basis.

The basis of properties-held-for-future use is the acquisition cost of the property plus any closing costs incurred by the Land Bank. All expenses incurred on these properties were expensed in the current period.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 6: PROPERTY HELD - CONTINUED

During the fiscal year ended December 31, 2024, the Land Bank changed the intended use for the following two real estate parcels that were previously classified as property inventory Held for Development:

- Gibraltar Mansion: This property was acquired in 2023 for redevelopment. The purchase was funded with a restricted grant from the City of Wilmington, Delaware. During 2024, the Land Bank received grants from the State of Delaware and City of Wilmington to preserve the original property. The Land Bank expects to subsequently donate the property to a foundation dedicated to preserving and restoring the property.
- 226 N. Franklin: This was a residential rehabilitation that was intended for resale. The Land Bank determined the property will be used as its offices.

At the time of the reclassification, both properties were under development. This reclassification is a change in accounting estimate because it reflects a change in the expected future use and economic benefit of the properties. The change in the use of these assets is treated prospectively under GASB.

The properties were transferred from Inventory to Capital Assets at their recorded value cost including acquisition costs and life-to-date development costs after adjustment for the property's estimated market as of December 31, 2023. The following chart summarizes the impact of these transfers:

Inventory Description	Capital Assets	Inventory Change	
		Property Cost	Subsidy Allowance
Gibraltar Mansion	\$ 2,000	\$ (1,272,544)	\$ 1,270,544
226 N. Franklin	2,000	(115,213)	115,213
	<u>\$ 4,000</u>	<u>\$ (1,387,757)</u>	<u>\$ 1,385,757</u>

All future costs associated with the construction of these properties will be capitalized in the Construction in Progress account until the assets are completed and placed into service or disposed of.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 7: CAPITAL ASSETS

Capital assets consisted of the following as of December 31:

	Beginning Balance	Additions	Transfers from Inventory (Note 6)	Ending Balance
December 31, 2024				
Nondepreciable Capital Assets				
Construction In Progress	\$ -	\$ 1,280,893	\$ 4,000	\$ 1,284,893
Depreciable Capital Assets				
Vehicles	14,978	-	-	14,978
Less: Accumulated Depreciation	(14,229)	(749)	-	(14,978)
Depreciable Capital Assets, Net	749	(749)	-	-
Capital Assets, Net	\$ 749	\$ 1,280,144	\$ 4,000	\$ 1,284,893
December 31, 2023				
Depreciable Capital Assets				
Vehicles	\$ 14,978	\$ -	\$ -	\$ 14,978
Less: Accumulated Depreciation	(11,233)	(2,996)	-	(14,229)
Capital Assets, Net	\$ 3,745	\$ (2,996)	\$ -	\$ 749

Depreciation expense of \$749 and \$2,996 was recorded for the years ended December 31, 2024 and 2023 and 2023, respectively.

NOTE 8: NOTES PAYABLE

Changes in notes payable for the years ended December 31:

	Balance 2023	Additions	Reductions	Balance 2024	Due Within One Year
Notes Payable					
WEDCO Loan	\$ 242,500	\$ -	\$ (242,500)	\$ -	\$ -
Gibraltar					
Mansion Purchase	350,000	-	(350,000)	-	-
	\$ 592,500	\$ -	\$ (592,500)	\$ -	\$ -

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 8: NOTES PAYABLE - CONTINUED

	Balance 2022	Additions	Reductions	Balance 2023	Due Within One Year
Notes Payable					
SBA Economic Injury					
Disaster Loan	\$ 150,000	\$ -	\$ (150,000)	\$ -	\$ -
WEDCO Loan	-	250,000	(7,500)	242,500	10,000
Gibraltar					
Mansion Purchase	-	350,000	-	350,000	350,000
	<u>\$ 150,000</u>	<u>\$ 600,000</u>	<u>\$ (157,500)</u>	<u>\$ 592,500</u>	<u>\$ 360,000</u>

U.S. Small Business Administration - Economic Injury Disaster Loan Program - During 2020, the Land Bank received a \$150,000 loan from the U.S. Small Business Administration (SBA) under the Economic Injury Disaster Loan Program (EIDL). The note accrues interest at 2.75% per annum. The note requires payments of \$641 a month starting December 2022. The balance is due June 2050. The note is collateralized by the Land Bank's securities. Land Bank repaid the loan and related accrued interest in March of 2023.

Wilmington Economic Development Corporation - Working Note Payable - During 2023, the Land Bank received a \$250,000 loan from the Wilmington Economic Development Corporation (WEDCO) under the Coronavirus State and Local Fiscal Recovery funds program of the Department of the Treasury. The loan carries no interest. The note requires payments of \$833 a month starting April 2023. The balance is due February 2025. The note is collateralized by the Land Bank's assets. Land Bank repaid the loan and related accrued interest in January of 2024.

Gibraltar Mansion Payable - Contingent Loan - In December, 2023, the Land Bank acquired the Gibraltar Mansion for a purchase price of \$1,250,000. Nine hundred thousand of the purchase price was paid in cash. The remaining \$350,000 of the purchase was a contingent loan to be satisfied by the City of Wilmington through the transfer of an unimproved parcel. In July 2024, the City of Wilmington determined it was unable to transfer the agreed-upon parcel and satisfied the obligation by remitting the \$350,000 payment directly to the seller on the Land Bank's behalf.

NOTE 9: LEASES

The Land Bank leases vacant lots to other entities for \$1 per year, with terms ranging from one to five years. The leases require the lots be used for fruit, vegetable, and flower gardening, and requires the lessee to maintain the plant material.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 10: POLLUTION REMEDIATION OBLIGATION

During the year ended December 31, 2022, the Land Bank received two sites subject to potential environmental pollution remediation liabilities. One additional site was received during the year4 ended December 31, 2024. The Land Bank entered into Brownfield Development Agreements (BDA) with the State of Delaware Department of Natural Resources and Environmental Control for each site prior to taking possession. The BDAs provide the Land Bank with liability protections as set forth in 7 Del. C. § 9105(f) and §9125 and detail the scope and schedule of activities to assess and respond to the environmental pollutants.

The Land Bank performed site assessments and recognized a liability for the estimated cost to complete the site assessments. The site assessments were completed in 2022 for the five sites and remediation was completed for two sites in 2022.

Each BDA includes a reimbursable Brownfield Developer grant of \$625,000 for the performance of remedial actions. The first \$500,000 of the grant is reimbursed on a dollar-for-dollar basis and the remaining \$125,000 of the grant is reimbursed on a one-to-one matching basis. The cost of the Land Bank's remediation activities is not expected to exceed the BDA grants.

NOTE 11: RESTRICTED NET POSITION

During the year ended December 31, 2024, the Land Bank received a restricted grant for the Lower Hilltop Equitable Housing and Neighborhood Revitalization Initiative. As of December 31, 2024, \$182,417 of net position was restricted for this purpose.

During the year ended December 31, 2023, the Land Bank received a restricted grant for the purchase and development of a specific property. As of December 31, 2024 and 2023, \$0 and \$48,358 of net position was restricted for this purpose, respectively.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Contingencies - Certain conditions may exist as of the date the financial statements are issued, which may result in loss to the Land Bank but will only be resolved when one or more future events occur or fail to occur. The Land Bank's management assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to unasserted claims that may result in proceedings, the Land Bank evaluates the perceived merits of any unasserted claims.

WILMINGTON NEIGHBORHOOD CONSERVANCY LAND BANK CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2024

NOTE 12: COMMITMENTS AND CONTINGENCIES - CONTINUED

Grant Compliance - The Land Bank receives Federal and State funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on the filing and audits of those reports. Final settlements due from, or to, these sources are recorded in the year in which the related services are performed. Any adjustment resulting from subsequent examinations is recognized in the year in which the results of such examinations, if any, become known. The Land Bank does not expect any significant adjustment because of these examinations.

Contractual Commitments - As of December 31, 2024, the Land Bank had various non-cancellable contracts and construction-in-progress with outside contractors. Outstanding commitments on contracts in progress as of December 31, 2024 was \$87,038. These contracts will be payable upon future performance under the contracts.

NOTE 13: SUBSEQUENT EVENTS

Grant Funding - Subsequent to year end the Land Bank received various grants to support its mission. The following chart summarizes the grant funding received, categorized by purpose and source.

Source	Date Awarded	Purpose	Amount
City of Wilmington	January 30, 2025	Operating Expenses	\$ 1,000,000
Longwood Foundation	May 22, 2025	Unrestricted	700,000
Discover Financial	April 25, 2025	Unrestricted	100,000