

**Wayne County Regional Land
Bank Corporation**

**Financial Statements
As of December 31, 2018
Together With
Independent Auditor's Report**

**Wayne County Regional Land
Bank Corporation**

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tette, ingersoll & co., CPAs, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wayne County Regional Land Bank Corporation
Lyons, NY 14489

We have audited the accompanying financial statements of Wayne County Regional Land Bank Corporation (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets and cash flows for the period from inception (March 20, 2018) through December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne County Regional Land Bank Corporation as of December 31, 2018, and the changes in its net assets and its cash flows for the period from inception (March 20, 2018) through December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

Tette, Ingersoll & Co., CPAs, PC

Victor, NY
July 2, 2019

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WAYNE COUNTY REGIONAL LAND BANK CORPORATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 235,897
Prepaid expenses	3,976

	239,873
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PROPERTY HELD FOR DEVELOPMENT AND RESALE

3,210

PROPERTY AND EQUIPMENT

Office equipment	1,370
	1,370
Less: accumulate depreciation	(23)
	1,347

	\$ 244,430
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued liabilities	\$ 363
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	363
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NET ASSETS

Net assets without restricitons	244,067
Net assets with restricitons	-

	244,067
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	\$ 244,430
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The accompanying notes are an integral
part of these financial statements

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FROM INCEPTION (MARCH 20, 2018) THROUGH DECEMBER 31, 2018

	Without Restrictions	With Restrictions	Total
<u>SUPPORT AND REVENUE</u>			
County funding	\$ 250,000	\$ -	\$ 250,000
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	250,000	-	250,000
	<hr/>	<hr/>	<hr/>
<u>EXPENSES - Program Services</u>			
Real estate taxes	682	-	682
Insurance	4,182	-	4,182
Advertising	416	-	416
Website	617	-	617
Depreciation	23	-	23
Office and postage	13	-	13
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	5,933	-	5,933
	<hr/>	<hr/>	<hr/>
Change in net assets	244,067	-	244,067
Net assets - beginning	<hr/>	<hr/>	<hr/>
	-	-	-
Net assets - ending	<hr/>	<hr/>	<hr/>
	\$ 244,067	\$ -	\$ 244,067
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral
part of these financial statements

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
STATEMENT OF CASH FLOWS
FROM INCEPTION (MARCH 20, 2018) THROUGH DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 244,067
Adjustment to reconcile change in net assets to net cash flow from operating activities:	
Depreciation	23
Increase (decrease) in:	
Prepaid expenses	(3,976)
Property held for development and sale	(3,210)
Accrued liabilities	363
	363
NET CASH FLOW FROM OPERATING ACTIVITIES	237,267

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(1,370)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,370)

Change in cash and cash equivalents	235,897
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	\$ 235,897

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest	\$ -
Cash paid for income taxes	\$ -

The accompanying notes are an integral
part of these financial statements

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 – Nature of Activities

Wayne County Regional Land Bank Corporation (the Land Bank) is a New York nonprofit corporation formed in 2018 under the laws of the State of New York. The Land Bank was formed to combat community deterioration by facilitating the return of vacant, abandoned, tax-delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties, and to lessen the burden of government and to act in the public interest.

Note 2 – Summary of Significant Accounting Policies

Method of Accounting

The Land Bank prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which means that support and other revenues are recognized when earned rather than when received, and expenses are recorded when incurred, rather than when paid.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Land Bank considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents may, at times, exceed federally insured limits. The Land Bank has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash and equivalents.

Property Held for Development and Resale

Property held for development and resale includes various real estate parcels in the County. Such properties are typically acquired by the Land Bank for a nominal fee. Expenditures for the acquisition, renewal, betterment, and stabilization of the properties are initially capitalized within the cost of each parcel. The carrying value of the individual parcels are evaluated on a periodic basis and adjusted to the lower of cost or net estimated realizable value through property stabilization and rehabilitation costs.

Property and Equipment

Property and equipment is stated at cost or, in the case of contributed property and equipment, at estimated fair value at the date of contribution. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long donated assets must be maintained, the Land Bank reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation is provided for using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Office equipment	7-10

Depreciation expense for the year ended December 31, 2018 totaled \$23.

At the time property and equipment is replaced, retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from their respective accounts and any gain or loss is included in changes in net assets. Expenditures for repairs and maintenance are charged to operations as incurred.

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Long-Lived Assets

The Land Bank assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable by comparing the expected undiscounted future cash flows of the assets with the respective carrying amount as of the date of assessment. Should aggregate future cash flows be less than the carrying value, a write-down would be required, measured as the difference between the carrying value and the fair value of the asset. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, no impairment is recognized. No impairment of long-lived assets was recognized in 2018.

Net Assets Without Restrictions

Increases to net assets without restrictions represent support or other revenue received by the Land Bank for the purpose of carrying out normal operations. Also included in increases to net assets without restrictions are contributions and other revenue which the donor has designated for a specific purpose that has been met in the same reporting period as the donation was received.

Net Assets With Restrictions

Net assets without restrictions represent amounts that have been donated to the Land Bank subject to donor-imposed, time and/or purpose restrictions which have not been met in the year of receipt. When a donor restriction expires, net assets with restrictions are reclassified as net assets without restrictions in the statement of activities and changes in net assets.

Revenue Recognition

Contributions and bequests are recorded in the period received or upon the receipt of an irrevocable promise to give in accordance with generally accepted accounting principles.

Advertising

The Land Bank charges advertising costs to operations as incurred. The Land Bank had advertising expense of \$416 for the year ended December 31, 2018.

Income Taxes

The Land Bank has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. As a result, the Land Bank is not subject to Federal or New York State income taxes on revenue generated from its not-for-profit activities. However, if applicable, income from certain activities not directly related to the Land Bank's tax exempt purpose is subject to taxation as unrelated business income.

Functional Allocation of Expenses

The Land Bank classifies its expenses into functional categories of program services and management and general. Allocations of expenses to these functional categories are management's estimations based on historical and current activities of the Land Bank.

Estimates

The preparation of financial statements requires management to make certain 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 those estimates.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities that are financial instruments approximate the carrying values of such amounts.

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Contributed Services

Contributed services are recorded in the financial statements to the extent that those services create or enhance a nonfinancial asset, the services received require specialized skills, or the service would typically need to be purchased if not contributed. No contributions of services were recognized in 2018.

Subsequent Events

The Land Bank has evaluated subsequent events and transactions for potential recognition and disclosure through July 2, 2019, the date which the financial statements were available to be issued.

Note 3 – County Funding

During the period from inception (March 20, 2018) through December 31, 2018, the Land Bank received a total of \$250,000 through a resolution of the Wayne County, NY Board of Supervisors. These funds are to be used by the Land Bank for operating purposes over the first three years of operations.

Note 4 – Property Held for Development and Resale

The Land Bank has acquired various parcels of land in the County to promote future economic growth and assist in revitalization of the County. During the year ended December 31, 2018, the Land Bank acquired several properties and capitalized costs to acquire those properties including the purchase price, filing fees, and back taxes in the amount of \$3,210. The Land Bank did not sell or dispose of any properties during the year.

Note 5 – Liquidity and Availability of Resources

For the year ended December 31, 2018, the Land Bank had \$235,897 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. The financial assets available within one year consisted of cash of \$235,897 at December 31, 2018. None of the financial assets are subjected to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Land Bank has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.