

**Wayne County Regional Land
Bank Corporation**

**Financial Statements
As of December 31, 2020 and 2019
Together With
Independent Auditor's Report**

**Wayne County Regional Land
Bank Corporation**

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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, 2020, and the related statements of activities, functional expenses and changes in net assets and cash flows for the year then ended, 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

We have previously audited the Wayne County Regional Land Bank Corporation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sincerely,

Allied CPAs, P.C.

Rochester, NY
March 6, 2021

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

ASSETS

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 1,392,640	\$ 1,538,533
Grants Receivable	71,249	-
Prepaid Expenses	<u>3,737</u>	<u>5,154</u>
TOTAL CURRENT ASSETS	<u>1,467,626</u>	<u>1,543,687</u>
 <u>PROPERTY HELD FOR DEVELOPMENT AND RESALE</u>		
	14,705	7,294
 <u>PROPERTY AND EQUIPMENT</u>		
Office Equipment	<u>1,370</u>	<u>1,370</u>
	1,370	1,370
Less: Accumulated Depreciation	<u>(571)</u>	<u>(297)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>799</u>	<u>1,073</u>
TOTAL ASSETS	<u>\$ 1,483,130</u>	<u>\$ 1,552,054</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 14,461	\$ -
Accrued Liabilities	1,077	3,230
Deposits	<u>1,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>16,538</u>	<u>3,230</u>
 <u>NET ASSETS</u>		
Net Assets Without Restrictons	813,144	807,613
Net Assets With Restrictons	<u>653,448</u>	<u>741,211</u>
TOTAL NET ASSETS	<u>1,466,592</u>	<u>1,548,824</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,483,130</u>	<u>\$ 1,552,054</u>

The accompanying notes are an integral
part of these financial statements

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
STATEMENT OF ACTIVITIES, FUNCTIONAL EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals For the Year Ended December 31, 2019)

	<u>2020</u>			<u>2019</u>
	Without Restrictions	With Restrictions	Total	Total
<u>SUPPORT AND REVENUE</u>				
Enterprise Grant	\$ 460,510	\$ -	\$ 460,510	\$ 17,850
Sale of Property Held for Development and Resale	22,000	-	22,000	19,953
County Funding	-	-	-	623,076
Community Development Block Grant	-	-	-	747,712
Refunds and Discounts	-	-	-	3,638
TOTAL SUPPORT AND REVENUE	<u>482,510</u>	<u>-</u>	<u>482,510</u>	<u>1,412,229</u>
<u>EXPENSES - Program Services</u>				
Site Demolition Costs	283,684	-	283,684	-
Site Engineering Costs	92,517	87,763	180,280	-
Salaries	58,950	-	58,950	45,701
Professional Fees	13,134	-	13,134	15,598
Insurance	9,478	-	9,478	11,683
Payroll Taxes	4,993	-	4,993	4,633
Maintenance	1,416	-	1,416	11,166
Office and Postage	1,318	-	1,318	950
Utilities	821	-	821	636
Cost of Property Sold	515	-	515	2,133
Depreciation	274	-	274	274
Real Estate Taxes	-	-	-	4,750
Advertising	-	-	-	847
TOTAL PROGRAM SERVICES	<u>467,100</u>	<u>87,763</u>	<u>554,863</u>	<u>98,371</u>
<u>EXPENSES - Management & General</u>				
Salaries	6,550	-	6,550	5,078
Dues, Fees & Subscriptions	2,000	-	2,000	2,600
Payroll Taxes	555	-	555	515
Office & Postage	439	-	439	317
NYS Filing Fee	275	-	275	75
Bank Fees	60	-	60	15
Insurance	-	-	-	502
TOTAL MANAGEMENT & GENERAL	<u>9,879</u>	<u>-</u>	<u>9,879</u>	<u>9,101</u>
Change in Net Assets	5,531	(87,763)	(82,232)	1,304,757
Net Assets - Beginning	<u>807,613</u>	<u>741,211</u>	<u>1,548,824</u>	<u>244,067</u>
Net Assets - Ending	<u>\$ 813,144</u>	<u>\$ 653,448</u>	<u>\$ 1,466,592</u>	<u>\$ 1,548,824</u>

The accompanying notes are an integral
part of these financial statements

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (82,232)	\$ 1,304,757
Adjustment to Reconcile Change in Net Assets to Net Cash Flow From Operating Activities:		
Depreciation	274	274
Increase (Decrease) in:		
Grants Receivable	(71,249)	-
Prepaid Expenses	1,417	(1,178)
Property Held for Development and Sale	(7,411)	(4,084)
Accounts Payable	14,461	-
Accrued Liabilities	(2,153)	2,867
Deposits	1,000	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(145,893)	1,302,636
Change in Cash and Cash Equivalents	(145,893)	1,302,636
Cash and Cash Equivalents - Beginning	1,538,533	235,897
Cash and Cash Equivalents - Ending	\$ 1,392,640	\$ 1,538,533
 <u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid for Interest	\$ -	\$ -
Cash paid for Income Taxes	\$ 275	\$ 75

The accompanying notes are an integral
part of these financial statements

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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.

Grants Receivable

Grants receivable are recorded at the amount the Organization is entitled to and expects to collect based on the grant agreement, on balances outstanding at year-end.

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 years ended December 31, 2020 and 2019 totaled \$274.

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, 2020 AND 2019

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 2020 or 2019.

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 with 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. Sales revenue is recognized upon the transfer of title of a property in an amount that reflects the consideration the Organization expects to receive in exchange for that property. The Organization enters into contracts with the county government and other not for profit organizations that may include various combinations of services, which are generally capable of being distinct and accounted for as separate performance obligations. Contacts with governmental and not-for-profit organizational payers often include multiple services. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgement. Revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants and significant contract balances, when applicable, are deferred.

Advertising

The Land Bank charges advertising costs to operations as incurred. The Land Bank had advertising expense of \$0 and \$847 for the years ended December 31, 2020 and 2019, respectively.

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.

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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 2020 or 2019.

Subsequent Events

The Land Bank has evaluated subsequent events and transactions for potential recognition and disclosure through March 6, 2021, the date which the financial statements were available to be issued.

Subsequent to December 31, 2020, local, U.S., and world governments have continued to encourage self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. In addition, global markets have seen significant declines. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impacts to the Land Bank, there is a reasonable possibility that the impact on the Land Bank's financial position and results of future operations could be material.

Note 3 – County Funding

In September of 2019, the Land Bank received a total of \$747,712 as a subrecipient of the Wayne County, NY Community Development Block Grant (CDBG). Funds received are to be utilized in accordance with CDBG program guidelines to address slums and blighted properties in the county and, as such, are reported as net assets with donor restrictions in the accompanying statements of financial position. No additional funds were received during the year ended December 31, 2020. As of December 31, 2020 and 2019, \$653,448 and \$741,211, respectively, remain purpose restricted.

During the year ended December 31, 2020, the Land Bank received a total of \$460,510. During the year ended December 31, 2019, the Land Bank received a total of \$623,076 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 operation.

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 years ended December 31, 2020 and 2019, the Land Bank acquired properties and capitalized costs to acquire those properties including the purchase price, filing fees, and back taxes in the amount of \$7,413 and \$6,217, respectively. Properties costing approximately \$2 and \$2,133 were sold to third party's during 2020 and 2019, respectively.

WAYNE COUNTY REGIONAL LAND BANK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 5 – Liquidity and Availability of Resources

Availability and liquidity of resources is as follows at December 31:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 1,392,640	\$ 1,538,533
Grants receivable	71,249	-
	<hr/>	
Total financial assets	1,142,581	929,671
Less financial assets unavailable to meet general expenditures		
Net assets with donor restrictions	(653,448)	(741,211)
	<hr/>	
Financial assets available to meet general expenditures over the next twelve months	\$ 489,133	\$ 188,460
	<hr/>	

Note 6 - Contingencies

In the normal course of operations the Land Bank receives grants which are subject to audit by various State and Local agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the Land Bank. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects the amount to be immaterial.