

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
**(A Blended Component Unit of the County of**  
**Livingston, New York)**

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

**Bonadio & Co., LLP**  
**Certified Public Accountants**

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
**(A Blended Component Unit of the County of Livingston, New York)**

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**December 31, 2020 and 2019**

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## INDEPENDENT AUDITOR'S REPORT

February 9, 2021

To the Board of Directors of  
Livingston County Land Bank Corporation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Livingston County Land Bank Corporation (the Corporation), a blended component unit of the County of Livingston, New York, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### ***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 audits. 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. 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 respective financial position of the Corporation, as of December 31, 2020 and 2019, and the respective 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.

**Other Matters*****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, 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 February 9, 2021 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.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
**(A Blended Component Unit of the County of Livingston, New York)**

**Management’s Discussion and Analysis (Unaudited)**  
**For the years ended December 31, 2020 and 2019**

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This section of the Livingston County Land Bank Corporation (the Corporation) annual financial report presents discussion and analysis of the Corporation’s financial performance during the fiscal years ending December 31, 2020, 2019, and 2018. Please read it in conjunction with the Corporation’s financial statements and accompanying notes.

**GENERAL INFORMATION**

This Corporation was incorporated in 2017 to combat community deterioration by facilitating the return of vacant, abandoned, and tax-delinquent properties in the County of Livingston, New York (the County) to productive use. Operations commenced in 2018.

**Overview of the Financial Statements**

This annual financial report consists of two parts: 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 Analysis**

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

**Summary of Assets, Liabilities, and Net Position**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total assets	\$ <u>138,463</u>	\$ <u>206,453</u>	\$ <u>25,487</u>
Total liabilities	\$ <u>72,452</u>	\$ <u>106,331</u>	\$ <u>-</u>
Total net position - unrestricted	\$ <u>66,011</u>	\$ <u>100,122</u>	\$ <u>25,487</u>

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Management’s Discussion and Analysis (Unaudited)**  
**For the years ended December 31, 2020 and 2019**

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Total assets at December 31, 2020 were all current, comprised of cash from grant revenue and inventory of properties. Current assets at December 31, 2019 were comprised of cash from grant revenue and governmental subsidy and inventory of properties. Current assets at December 31, 2018 were comprised solely of cash.

As of December 31, 2019, the Corporation held two properties in inventory. During 2020, the Corporation purchased one property and transferred another to Habitat for Humanity for rehabilitation. Thus, as of December 31, 2020, the Corporation held two properties in inventory. The Corporation did not have any properties in inventory at December 31, 2018.

**Summary of Revenues, Expenses, and Change in Net Position**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 124,000	\$ 114,361	\$ 37,841
Operating expenses	<u>(158,111)</u>	<u>(89,726)</u>	<u>(37,354)</u>
Operating income (loss)	(34,111)	24,635	487
Non-operating revenue	<u>-</u>	<u>50,000</u>	<u>25,000</u>
Change in net position	<u>\$ (34,111)</u>	<u>\$ 74,635</u>	<u>\$ 25,487</u>

Operating revenue in both 2020 and 2019 consisted of in-kind services from the County and others, as well as grant revenue from Enterprise Community Partners, Inc. In 2018, operating revenue consisted of in-kind services and donated property from the County, as well as revenue from the sale of property. Operating revenue has increased as the rehabilitation and demolition work on properties has increased, and the Corporation has recognized additional grant revenue.

The Land Bank Corporation was established in 2018 and set up was completed in 2019. Livingston County provided all staff support to this project and in March of 2019 hired a dedicated part time Program Specialist. The County also provided cash contributions as an investment into the project in 2018 and 2019.

Operating expenses in 2020 consisted of salaries and benefits for the Program Specialist, cost of sales, unrealized loss on inventory, services rendered in kind, property rehabilitation and maintenance, and general and administrative expenses. In 2019, operating expenses consisted of salaries and benefits for the Program Specialist, services rendered in kind, and property maintenance and general and administrative expenses. Operating expenses in 2018 were primarily comprised of cost of sales related to property inventory, general and administrative expenses, and services rendered in-kind.

In 2020, plans were delayed due to the COVID-19 outbreak. Even though projects were delayed, the Corporation did move forward with its partners and contractors in the rehabilitation of 7283 Webster Crossing and the demolition of 7 Grove St. Funding with Enterprise Community Partners has kept the funding fluid. The continued work on these projects contributed to the increase in operating expenses from 2019 to 2020. Operating expenses were also increased as a result of the cost of property sales and recording unrealized loss on inventory for properties that were deemed overvalued in comparison to the market.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Management's Discussion and Analysis (Unaudited)**  
**For the years ended December 31, 2020 and 2019**

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Non-operating revenue in 2019 and 2018 consisted of a cash subsidy from the County to be used to acquire future properties or pay operating expenditures. There was no non-operating revenue in 2020.

In 2020, there was no cash infusion from Livingston County, and due to COVID-19, the Corporation was given a 1-year extension from Enterprise.

The Corporation had an operating loss of \$34,111 and an overall decrease in net position of \$34,111 for the year ended December 31, 2020. This was an overall decrease from the operating income of \$24,635 and increase in net position of \$74,635 in 2019. In 2018, the Corporation had operating income of \$487 and an overall increase in net position of \$25,487.

**FUTURE FACTORS**

The Land Bank is in the third year of a three-year \$500,000 grant award through the New York State Attorney General's Land Bank Community Revitalization Initiative. The grant was originally a two-year grant, but was extended one year to December 31, 2021 by Enterprise Community Partners, Inc. due to the 2020 COVID pandemic. In 2020, the Land Bank worked with the Livingston County Chapter of Habitat for Humanity (Habitat) on redevelopment of a property in the town of Springwater. In 2021, Habitat plans on selling the property to a qualifying family. A portion of the proceeds will go to the Land Bank. In 2021, the Land Bank will also work on rehabilitating and selling the 140 Lima Road, Geneseo property and disposing of the 7 Grove Street, Mt. Morris property. The Land Bank will continue to seek state, federal and other funding opportunities to continue its mission to remove community blight and revitalize communities.

**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 Livingston County Land Bank Corporation - Livingston County Office Building, 6 Court Street, Room 305, Geneseo, New York 14454.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Statements of Net Position**  
**December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 68,711	\$ 67,230
Cash - restricted	48,752	100,882
Inventory	<u>21,000</u>	<u>38,341</u>
Total current assets	<u>138,463</u>	<u>206,453</u>
Total assets	<u>138,463</u>	<u>206,453</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	23,700	5,449
Unearned grant revenue	<u>48,752</u>	<u>100,882</u>
Total current liabilities	<u>72,452</u>	<u>106,331</u>
Total liabilities	<u>72,452</u>	<u>106,331</u>
<b>NET POSITION</b>		
Unrestricted	<u>66,011</u>	<u>100,122</u>
Total net position	<u>\$ 66,011</u>	<u>\$ 100,122</u>

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



**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Statements of Revenues, Expenses, and Change in Net Position**  
**For the years ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Grant revenue	\$ 107,982	\$ 68,087
In-kind revenues	<u>16,018</u>	<u>46,274</u>
Total operating revenues	<u>124,000</u>	<u>114,361</u>
OPERATING EXPENSES:		
Unrealized loss on inventory	37,030	-
Cost of sales	28,091	-
Property rehabilitation grant	18,927	-
Salaries and benefits	18,614	18,283
Property maintenance	16,835	857
In-kind expenses	16,018	46,274
Accounting/auditing fees	5,000	5,800
Dues	2,000	2,000
Insurance	15,256	13,683
General and administrative expenses	221	1,525
Travel, training, and conferences	63	621
Advertising	<u>56</u>	<u>683</u>
Total operating expenses	<u>158,111</u>	<u>89,726</u>
Operating income (loss)	<u>(34,111)</u>	<u>24,635</u>
NON-OPERATING REVENUE:		
Government subsidy revenue	<u>-</u>	<u>50,000</u>
Total non-operating revenue	<u>-</u>	<u>50,000</u>
CHANGE IN NET POSITION	(34,111)	74,635
NET POSITION - beginning of year	<u>100,122</u>	<u>25,487</u>
NET POSITION - end of year	<u>\$ 66,011</u>	<u>\$ 100,122</u>

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

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from grants	\$ 55,852	\$ 168,969
Cash paid for inventory	(47,780)	(38,341)
Payments to employee	(18,614)	(18,283)
Payments to suppliers for goods and services	<u>(40,107)</u>	<u>(19,720)</u>
Net cash from operating activities	<u>(50,649)</u>	<u>92,625</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash received from government subsidy	<u>-</u>	<u>50,000</u>
Net cash from non-capital and related financing activities	<u>-</u>	<u>50,000</u>
<b>CHANGE IN CASH</b>	<b>(50,649)</b>	<b>142,625</b>
CASH - beginning of year	<u>168,112</u>	<u>25,487</u>
CASH - end of year	<u>\$ 117,463</u>	<u>\$ 168,112</u>
Cash	\$ 68,711	\$ 67,230
Cash - restricted	<u>48,752</u>	<u>100,882</u>
Total cash	<u>\$ 117,463</u>	<u>\$ 168,112</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss)	<u>\$ (34,111)</u>	<u>\$ 24,635</u>
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:		
Change in:		
Accounts payable	18,251	5,449
Unearned grant revenue	(52,130)	100,882
Inventory	<u>17,341</u>	<u>(38,341)</u>
Net cash from operating activities	<u>\$ (50,649)</u>	<u>\$ 92,625</u>

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

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Notes to Basic Financial Statements**  
**December 31, 2020 and 2019**

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**1. ORGANIZATION**

The Livingston County Land Bank Corporation (the Corporation), was formed in 2017 to assist communities within the County of Livingston, New York (the County) in combating community deterioration by facilitating the return of vacant, abandoned, and tax-delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties, lessen the burden of government, and act in the public interest. The Corporation engages in real estate development and management, real estate project finance, and other community-based economic and human services development activities permissible under the Not-for-Profit Corporation Law. Operations commenced in 2018.

The Corporation was formed with the County as its sole member. Therefore, it is presented as a blended component unit within the County’s financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Measurement Focus and Basis of Accounting**

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

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

**Estimates**

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

**Income Tax Status**

The Corporation was organized as a not-for-profit corporation under the laws of the State of New York and has been granted Exempt Status by the Internal Revenue Service with respect to Section 501(c)(3) of the Internal Revenue Code.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Notes to Basic Financial Statements**  
**December 31, 2020 and 2019**

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**Cash**

The Corporation's only cash as of December 31, 2020 and 2019 is classified as a demand deposit. Restricted cash represents money received which is to be used in accordance with the grant parameters.

**Inventory**

Inventory consists of vacant, abandoned, or tax delinquent property in the County purchased by the Corporation or donated by the County. Inventory is valued at the lower of cost or market. Market value is defined as estimated selling price, not to be in excess of assessed value. Cost includes but is not limited to, property purchase cost, appraisal, inspection and recording fees, renovation costs and professional services. As of December 31, 2020, the Corporation had two properties in inventory. The Corporation also had two properties in inventory as of December 31, 2019.

**Grant Revenue**

Grant revenue is recognized when eligible expenses are incurred by the Corporation. When amounts are received prior to incurring eligible expenses, these amount are recorded as unearned grant revenue. Such amounts are reflected as a liability until the amount is 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 comprised of receipts from the sale of property, donation of property, grant revenue received for operations, and in-kind services from the County. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Corporation's mission. Non-operating revenues consist of subsidies received.

**Cost of Sales**

At the time of sale of inventory, the recorded value of inventory is recognized as an expense under cost of sales.

**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 for the year ended December 31, 2020.

**Net Position**

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

- a. Net investment in capital assets - capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At both December 31, 2020 and 2019, the Corporation did not have net investment in capital 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 did not have restricted net position at December 31, 2020 or 2019.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Notes to Basic Financial Statements**  
**December 31, 2020 and 2019**

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c. Unrestricted net position - all other net position that does not meet the definition of net investment in capital assets or restricted net position.

Absent a formal policy, it is the Corporation's practice to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

The Corporation's investment policies are governed by State statutes. Monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State (NYS). Collateral is required for deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are those identified in NYS General Municipal Law, Section 10 and outlined in the NYS Comptroller's Financial Management Guide.

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. At December 31, 2020 and 2019, the reported amount of the Corporation's deposits was \$117,463 and \$168,112, and the bank balance was \$117,486 and \$168,112, respectively. The entire bank balance was covered by federal depository insurance at each of the years ended December 31.

Restricted cash represents money received which is to be used in accordance with grant parameters. Restricted cash amounted to \$48,752 and \$100,882 as of December 31, 2020 and 2019, respectively.

**4. CONCENTRATIONS OF CREDIT RISK**

The Corporation receives significant support from governmental entities. The primary source of funding is through a grant from Enterprise Community Partners, Inc. (Enterprise). Funding from Enterprise comprised 87% of revenue in 2020 and 41% of revenue in 2019.

**5. RELATED PARTY TRANSACTIONS**

In 2020, the County contributed in-kind services to the Corporation valued at \$16,018. In 2019, the County contributed \$50,000 in cash to aid the Corporation in financing and to provide seed funding for the acquisition of properties. The County also contributed in-kind services valued at \$46,274 in 2019.

**6. COVID-19**

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

**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**

February 9, 2021

To the Board of Directors of  
Livingston County Land Bank Corporation

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 Livingston County Land Bank Corporation (the Corporation), a blended component unit of the County of Livingston, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated February 9, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, 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 statement, 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 may exist that have not been identified.

**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 financial statements. 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.