

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

**Financial Statements as of**  
**December 31, 2021 and 2020**  
**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, 2021 and 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

February 24, 2022

To the Board of Directors of  
Livingston County Land Bank Corporation

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2021, and 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of December 31, 2021 and 2020, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022 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, 2021 and 2020**

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This section of the Livingston County Land Bank Corporation (the Corporation) annual financial report presents a discussion and analysis of the Corporation's financial performance during the fiscal years ending December 31, 2021, 2020, and 2019. 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>2021</u>	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 177,010</u>	<u>\$ 138,463</u>	<u>\$ 206,453</u>
Total liabilities	<u>\$ 114,361</u>	<u>\$ 72,452</u>	<u>\$ 106,331</u>
Total net position - unrestricted	<u>\$ 62,649</u>	<u>\$ 66,011</u>	<u>\$ 100,122</u>

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Total assets at December 31, 2021 were all current, and comprised of cash from grant revenue. Current assets at December 31, 2020 and 2019 were comprised of cash from grant revenue and inventory of properties.

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. During 2021, one of these properties was transferred to Habitat for Humanity for co-development, and the other was donated to the adjacent property owner. At December 31, 2021, the Corporation did not have any properties in inventory.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 217,786	\$ 124,000	\$ 114,361
Operating expenses	<u>(221,148)</u>	<u>(158,111)</u>	<u>(89,726)</u>
Operating income (loss)	(3,362)	(34,111)	24,635
Non-operating revenue	<u>-</u>	<u>-</u>	<u>50,000</u>
Change in net position	<u>\$ (3,362)</u>	<u>\$ (34,111)</u>	<u>\$ 74,635</u>

Operating revenue in 2021, 2020, and 2019 consisted of in-kind services from the County and others, as well as grant revenue from Enterprise Community Partners, Inc. Operating revenue has increased over the past three years as the rehabilitation and demolition work on properties has increased, and the Corporation has recognized additional grant revenue.

Operating expenses in 2021 were comprised of property rehabilitation and maintenance costs, cost of sales, services rendered in-kind, salaries and benefits for the Program Specialist, and other professional and general and administrative expenses. In 2020, similar operating expenses were incurred, however, the Corporation also recognized an unrealized loss on inventory to reflect inventory at market value. Operating expenses increased approximately \$63,000 in 2021 compared to 2020, mainly related to an increased level of property rehabilitation work done through co-development agreements with Habitat for Humanity and the County of Livingston. In 2019, operating expenses were also comprised of salaries and benefits for the Program Specialist, services rendered in-kind, and professional and general and administrative expenses. Operating expenses increased in 2020 from 2019 as unrealized loss on inventory, cost of sales, and property rehabilitation costs were incurred.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Management's Discussion and Analysis (Unaudited)**  
**For the years ended December 31, 2021 and 2020**

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In 2021, the majority of the work completed by the Corporation was accomplished using funding from Enterprise Community Partners, Inc. The following are highlighted activities:

- Disposition of a vacant lot at 7 Grove Street, Mt. Morris, to the adjacent property owner for parcel combination with their existing single family residential property.
- Rehabilitation of the Webster Crossing, Springwater, property that was completed in partnership with Livingston County Habitat for Humanity (Habitat). This property was sold to a family and is now back on the tax roll.
- Executed a co-development agreement with Habitat for rehabilitation of 140 Lima Road in the Village of Geneseo. The Corporation funded construction materials and activities on this single-family residential property in 2021.
- Demolished the commercial structure located at 1920 Buell Avenue in the Village of Lima. This is a joint project with the New York State Department of Environment Conservation to clean up a blighted property and restore it to the tax rolls.

Funding from Enterprise Community Partners continued to keep the funding fluid. The continued work on these projects contributed to the increase in operating expenses from 2020 to 2021.

In 2021 and 2020, there was no cash infusion from Livingston County. Due to COVID-19, the Corporation was given extensions from Enterprise to continue with grant-funded property work through March of 2022.

The Corporation had an operating loss and decrease in net position of \$3,362 in 2021. In 2020, the Corporation had an operating loss and decrease in net position of \$34,111. In 2019, the Corporation had operating income of \$24,635 and an overall increase in net position of \$74,635 due to contribution from the County.

**FUTURE FACTORS**

The Corporation is in the final year of a \$500,000 grant awarded through the New York State Attorney General's Land Bank Community Revitalization Initiative. The grant expired on December 31, 2021; however, the Land Bank Corporation requested an extension from Enterprise Community Partners through 2022. The Corporation plans on the following activities in 2022:

- In January 2022, the Corporation acquired two properties from Livingston County during the County's Tax Foreclosure process: 32 Jefferson Street, Village of Dansville, and 24 Stanley Street, Village of Mt. Morris.
- In 2022, the Corporation plans on demolishing the blighted residential structure at the Jefferson Street property and then selling for residential or recreational use.
- The Corporation plans on rehabilitating the Stanley Street residential property and then selling to a low-moderate income family in 2022.



**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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**Management's Discussion and Analysis (Unaudited)**  
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- Habitat plans on completing construction activities and selling the 140 Lima Road, Geneseo, property to an eligible family. The co-development agreement between the Corporation and Habitat includes that a portion of the proceeds go the Corporation.

The Corporation will continue to seek state, federal and other funding opportunities to continue its mission to remove community blight and revitalize communities. The Corporation is exploring the following opportunities:

- Single Room Efficiency Support Housing Development: The Corporation is considering potential redevelopment of motels into single-room efficiency supportive housing units. The units will serve Department of Social Services (DSS) clients presenting as homeless in need of longer-term housing with wrap-around supportive services (i.e. mental health counseling, job training) instead of housing the clients in traditional motels, as is currently done. The Corporation and DSS are part of a larger working group examining potential partnerships for funding, property management and case/service management. If determined feasible, such a project will fill a need identified in the Housing Needs Assessment and Market Analysis for more supportive housing units for individuals.
- Mobile and Manufactured Home Replacement Program: The Corporation is in discussions with the Cattaraugus Community Action (CCA) to partner in the CDBG Mobile and Manufactured Home Replacement Program (MHRP). The program funds the removal of owner-occupied dilapidated mobile homes and their replacement with new units. CCA currently partners with Cattaraugus and Allegany Counties to administer the program in those locations.
- Scattered Site Single-Family Residential Property Redevelopment: The Corporation proposes to acquire and rehabilitate dilapidated single-family residences throughout the County. Once rehabilitated, the Corporation will conduct an analysis to determine feasibility of utilizing the properties as longer-term rental housing with wrap-around supportive housing for DSS clients with families. The Corporation is exploring partnerships with various housing agencies for funding, property management and case/service management. This is expected to fill a need identified in the Housing Needs Assessment and Market Analysis for more supportive housing for families. Those properties not considered suitable as rentals will be sold to qualified low-mod income families to increase home ownership opportunities in the County.
- Brownfield and Commercial Property Redevelopment: The Corporation is exploring use of state and federal funding programs to acquire vacant, environmentally hazardous residential, commercial, or industrial brownfields for cleanup and redevelopment. The Corporation demolished its first environmentally hazardous commercial site in the Village of Lima in 2021.
- Second-Floor Downtown Main Street Property Redevelopment: The Corporation is considering use of Downtown and Main Street funding to redevelop main street buildings with storefronts and second-floor residences. The Corporation has identified a potential for partnerships with villages, building owners and Livingston County Economic Development for the redevelopment of these mixed-use buildings.

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**Management's Discussion and Analysis (Unaudited)**  
**For the years ended December 31, 2021 and 2020**

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**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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 140,600	\$ 68,711
Cash - restricted	36,410	48,752
Inventory	<u>-</u>	<u>21,000</u>
Total current assets	<u>177,010</u>	<u>138,463</u>
Total assets	<u>177,010</u>	<u>138,463</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	77,951	23,700
Unearned grant revenue	<u>36,410</u>	<u>48,752</u>
Total current liabilities	<u>114,361</u>	<u>72,452</u>
Total liabilities	<u>114,361</u>	<u>72,452</u>
<b>NET POSITION</b>		
Unrestricted	<u>62,649</u>	<u>66,011</u>
Total net position	<u>\$ 62,649</u>	<u>\$ 66,011</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, 2021 and 2020**

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	<u>2021</u>	<u>2020</u>
OPERATING REVENUES:		
Grant revenue	\$ 181,471	\$ 107,982
In-kind revenues	<u>36,315</u>	<u>16,018</u>
Total operating revenues	<u>217,786</u>	<u>124,000</u>
OPERATING EXPENSES:		
Property rehabilitation grant	101,874	18,927
In-kind expenses	36,315	16,018
Cost of sales	27,066	28,091
Salaries and benefits	19,130	18,614
Property maintenance	14,931	16,835
Insurance	15,963	15,256
Accounting/auditing fees	5,000	5,000
Advertising	277	56
Dues	250	2,000
General and administrative expenses	195	221
Travel, training, and conferences	147	63
Unrealized loss on inventory	<u>-</u>	<u>37,030</u>
Total operating expenses	<u>221,148</u>	<u>158,111</u>
Operating income (loss)	<u>(3,362)</u>	<u>(34,111)</u>
CHANGE IN NET POSITION	(3,362)	(34,111)
NET POSITION - beginning of year	<u>66,011</u>	<u>100,122</u>
NET POSITION - end of year	<u><u>\$ 62,649</u></u>	<u><u>\$ 66,011</u></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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants	\$ 169,129	\$ 55,852
Cash paid for inventory	(6,066)	(47,780)
Payments to employee	(19,130)	(18,614)
Payments to suppliers for goods and services	<u>(84,386)</u>	<u>(40,107)</u>
Net cash from operating activities	<u>59,547</u>	<u>(50,649)</u>
CHANGE IN CASH	59,547	(50,649)
CASH - beginning of year	<u>117,463</u>	<u>168,112</u>
CASH - end of year	<u>\$ 177,010</u>	<u>\$ 117,463</u>
Cash	\$ 140,600	\$ 68,711
Cash - restricted	<u>36,410</u>	<u>48,752</u>
Total cash	<u>\$ 177,010</u>	<u>\$ 117,463</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	<u>\$ (3,362)</u>	<u>\$ (34,111)</u>
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:		
Change in:		
Accounts payable	54,251	18,251
Unearned grant revenue	(12,342)	(52,130)
Inventory	<u>21,000</u>	<u>17,341</u>
Net cash from operating activities	<u>\$ 59,547</u>	<u>\$ (50,649)</u>

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

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

**Notes to Basic Financial Statements**  
**December 31, 2021 and 2020**

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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, 2021 and 2020**

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**Cash**

The Corporation's only cash as of December 31, 2021 and 2020 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, 2021, the Corporation had no properties in inventory. The Corporation had two properties in inventory as of December 31, 2020.

**Grant Revenue**

Grant revenue is recognized when eligible expenses are incurred by the Corporation. When amounts are received prior to incurring eligible expenses, these amounts 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. There was no non-operating revenue in 2021 or 2020.

**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. There was no unrealized loss recognized for the year ended December 31, 2021. In accordance with GAAP, inventory was reduced to market value and an unrealized loss was 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, 2021 and 2020, the Corporation did not have net investment in capital assets.

**LIVINGSTON COUNTY LAND BANK CORPORATION**  
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- 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, 2021 or 2020.
- 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, 2021 and 2020, the reported amount of the Corporation's deposits was \$177,010 and \$117,463, and the bank balance was \$177,010 and \$117,486, 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 \$36,410 and \$48,752 as of December 31, 2021 and 2020, 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 83% of revenue in 2021 and 87% of revenue in 2020.

**5. RELATED PARTY TRANSACTIONS**

In 2021 and 2020, the County contributed in-kind services to the Corporation valued at \$36,315 and \$16,018, respectively. These services relate to managerial and administrative support of Corporation activities.



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**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 24, 2022

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, 2021, 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 24, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.