

**SULLIVAN COUNTY  
LAND BANK CORPORATION**

Monticello, New York

**FINANCIAL REPORT**

December 31, 2017



# ***SULLIVAN COUNTY LAND BANK CORPORATION***

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Sullivan County Land Bank Corporation  
Monticello, New York

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

We have audited the accompanying financial statements of the Sullivan County Land Bank Corporation (the Land Bank), a nonprofit organization and a component unit of the County of Sullivan, which comprise the Statement of Financial Position as of December 31, 2017, and the related Statements of Activities and Cash Flows for the year the 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 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 of 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 Land Bank'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 Land Bank'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 the Sullivan County Land Bank Corporation as of December 31, 2017, 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2018 on our consideration of the Sullivan County Land Bank Corporation 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 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 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 Land Bank's internal control over financial reporting and compliance.

**Other Reporting Required by New York State Public Authorities Law**

In accordance with New York State Public Authorities Law, we have also issued our report dated May 10, 2018 on our consideration of the Land Bank's compliance with Section 2925(3)(f) of the New York State Public Authorities Law. The purpose of that report is to describe anything that came to our attention that caused us to believe the Land Bank failed to comply with the Land Bank's Investment Guidelines, the New York State Comptroller's Investment Guidelines, or Section 2925(3)(f) of the New York State Public Authorities Law.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
May 10, 2018

# ***SULLIVAN COUNTY LAND BANK CORPORATION***

## **STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2017**

### **ASSETS**

#### **Current Assets**

Cash and cash equivalents \$ 90,405

**Total Assets** \$ 90,405

### **LIABILITIES AND NET ASSETS**

#### **Unrestricted Net Assets**

Undesignated 90,405

**Total Net Assets** 90,405

**Total Liabilities and Net Assets** \$ 90,405

*See Independent Auditor's Report and Notes to Financial Statements.*

# ***SULLIVAN COUNTY LAND BANK CORPORATION***

## **STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Revenues</b>	
Sullivan County support	\$ <u>100,000</u>
<b>Total Revenues</b>	<u>100,000</u>
<b>Expenses</b>	
Advertising	687
Engineering fees	1,905
Legal fees	3,184
Dues and registrations	630
Tax exemption application	850
Travel	385
Insurance	1,764
Office expenses	<u>190</u>
<b>Total Expenses</b>	<u>9,595</u>
Total Increase in Net Assets	90,405
Net Assets, Beginning of Year	<u>-</u>
<b>Net Assets, End of Year</b>	<b>\$ <u><u>90,405</u></u></b>

*See Independent Auditor's Report and Notes to Financial Statements.*

# ***SULLIVAN COUNTY LAND BANK CORPORATION***

## **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 90,405
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Noncash contributions	-
Increase in accounts payable	-
	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<b>90,405</b>
	<hr/>
<b>Cash Flows From Investing Activities</b>	<b>-</b>
	<hr/>
<b>Cash Flows From Financing Activities</b>	<b>-</b>
	<hr/>
Net Increase in Cash and Cash Equivalents	90,405
Cash and Cash Equivalents, Beginning of Year	-
	<hr/>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ <u>90,405</u></b>

*See Independent Auditor's Report and Notes to Financial Statements.*

# ***SULLIVAN COUNTY LAND BANK CORPORATION***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies**

#### **Purpose of the Land Bank**

The Sullivan County Land Bank Corporation (the Land Bank) was incorporated February 7, 2017 under Article 16 of the New York State Not-for-Profit Corporation Law. The Land Bank was formed to undertake, promote, and facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use in order to eliminate the harms and liabilities caused by such properties.

#### **Reporting Entity**

The Land Bank is a not-for profit corporation, and a component unit of the County of Sullivan. The financial activities of the Land Bank are combined with the financial activities of the County and other component units, which in turn constitute the entire reporting entity for the County.

#### **Basis of Presentation**

The financial statements have been prepared in accordance with generally accepted accounting principles.

#### **Financial Statement Presentation**

The Land Bank complies with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 "Not-for-Profit Entities." Under FASB ASC 958, the Land Bank is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### **Contributions**

The Land Bank accounts for contributions in accordance with the recommendations of the FASB ASC 958 "Not-for-Profit Entities." Under FASB ASC 958, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. It is the policy of the Land Bank to record contributions with donor-imposed restrictions that expire within the reporting period as unrestricted support.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The Land Bank considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no such investments outstanding at December 31, 2017.



# ***SULLIVAN COUNTY LAND BANK CORPORATION***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Concentrations of Risk and Investments**

The Land Bank maintains its accounts at a single financial institution. The Land Bank's cash balances may from time to time exceed FDIC limits. At December 31, 2017 and for the year then ended, \$-0- was uninsured.

#### **Tax Exemption**

The Land Bank was granted exempt status under Section 501(c)(3) of the Internal Revenue Code effective February 7, 2017. In addition, the Land Bank qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

#### **Advertising**

Advertising costs are expensed as incurred.

#### **Events Subsequent to Report Date**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 10, 2018, the date the financial statements were available to be issued.

### ***Note 2* Investments**

In accordance with Section 2925(6) of the Public Authorities Law for New York State, Public Authorities, the Land Bank reported no investments as of and for the year ended December 31, 2017. Investment policies are reviewed annually.

### ***Note 3* Related Parties**

The Land Bank is a component unit of the County of Sullivan, but the Land Bank is legally separate from the County. The Directors of the Land Bank include several County legislators, and also include elected or appointed officials of the Villages of Liberty and Monticello. Activity of the Land Bank is included in the combined financial statements of the County.

**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***

Board of Directors  
Sullivan County Lank Bank Corporation  
Monticello, New York

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 Sullivan County Lank Bank Corporation, a component unit of the County of Sullivan (the Land Bank), which comprise the Statement of Financial Position as of December 31, 2017, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 10, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Land Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Land Bank’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Land Bank’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 Land Bank'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 determination of financial statement amounts. 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 result 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.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
May 10, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

Board of Directors  
Sullivan County Land Bank Corporation  
Monticello, New York

We have audited, 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, the financial statements of the Sullivan County Land Bank Corporation, a component unit of the County of Sullivan (the Land Bank), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Land Bank's basic financial statements, and have issued our opinion thereon dated May 10, 2018.

In connection with our audit, nothing came to our attention that caused us to believe the Land Bank failed to comply with the Land Bank's Investment Guidelines, the New York State Comptroller's Investment Guidelines, or §2925 of the New York State Public Authorities Law (collectively, Investment Guidelines), which is the responsibility of the Land Bank's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines.

This communication is intended solely for the information and use of the Board of Directors and management of the Sullivan Land Bank Corporation, and the Office of the Comptroller of the State of New York, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
May 10, 2018