



100 North Street
 Monticello, NY 12701
 (845)807-0541

info@sullivancountylandbank.org
www.sullivancountylandbank.org

BOARD OF DIRECTORS

- Freda Eisenberg, Chair
- Jacque Leventoff, Vice-Chair
- George Nikolados, Treasurer
- Anna Milucky, Secretary
- Nancy Buck
- Vicky Ferguson
- Sims Foster
- Alan Sorensen
- Ira Steingart
- Vacancy
- Vacancy

EXECUTIVE DIRECTOR

Jill M. Weyer

MISSION STATEMENT

Our mission is to strengthen neighborhoods by mitigating blight through strategic property acquisition that will create vibrant neighborhoods, increase homeownership, stimulate economic growth and support community development by returning properties to productive use and improve quality of life.

AGENDA
March 31, 2020
8:30 AM

Zoom Teleconference Instructions: <https://zoom.us/j/109441574>
Meeting ID: 109 441 574
One tap mobile: +19294362866,,109441574# US (New York)

I. Call to Order / Roll Call 8:30

II. Approval of Bills to Pay 8:30

Current Account Balance:	\$ 239,438.83
Paid:	
NYSEG (48 Yaun Avenue, Liberty)	\$ 67.15 48 Yaun
NYSEG (17 Cooke Lane, Monticello)	\$ 26.79 17 Cooke
Lee & Mason Financial Services, Inc.	\$ 1,654.79 Insurance
Harris Woods Homeowners Association (March)	\$ 285.00 26 Racine
Jacobowitz & Gubitz LLP (Jan. & Feb. 2020)	\$ 2,495.33 Legal Fees
RUPCO, Inc. (Housing Coordination Services)	\$ 10,183.79 Contracts
Sullivan County Democrat	\$ 33.23 Advertising
River Realty Services, Inc.	\$ 6,466.01 26 Racine
Brown & Brown Empire State	\$ 31,740.43 Insurance
W Design	\$ 4,500.00 Advertising
Utility Protection Agency (Salvatore Cuce)	\$ 500.00 15 Jordan
To Be Paid:	
Collier Construction LLC	\$ 29,447.00 48 Yaun
NYSEG (19 Balsam Drive, Liberty)	\$ 43.42 19 Balsam
NYSEG (48 Yaun Avenue, Liberty)	\$ 65.17 48 Yaun
Harris Woods Homeowners Association (April)	\$ 285.00 26 Racine
River Realty Services, Inc.	\$ 70.21 26 Racine
Account Balance After Bills Paid	\$ 209,528.03

III. Approval of Minutes—March 19, 2020 8:33

IV. Status Report & Resolutions 8:35

Resolutions

1. RESOLUTION TO ADOPT 2019 ANNUAL AUDIT

Discussion Items

1. 2019 Audit—Insero & Co.

V. Public Comment 8:55

VI. Adjournment 9:00

Freda Eisenberg, Chair
Jacquie Leventoff, Vice Chair
George Nikolados, Treasurer
Vacant, Secretary

Jill M. Weyer, Executive Director



Nancy Buck
Vicky Ferguson
Sims Foster
Alan Sorensen
Ira Steingart

MINUTES

Board Meeting – via ZOOM

March 19, 2020

BOARD MEMBERS:

IN ATTENDANCE: Freda Eisenberg, Jacquie Leventoff, Nancy Buck, Vicky Ferguson, Sims Foster, and Ira Steingart

ABSENT: George Nikolados, Alan Sorensen

OTHERS PRESENT: Jill Weyer, Eugenia Manwelyan, Juan Journet, Allison Capella

I. Call to Order / Roll Call

The meeting was called to order by Freda Eisenberg, Chair at 8:34 am.

II. Approval of Bills to Pay

Current Account Balance:	\$ 297,391.35	
Paid:		
NYSEG (17 Cooke Lane, Monticello)	\$ 3.77	17 Cooke
Lee & Mason Financial Services, Inc.	\$ 1,794.42	Insurance
Harris Woods Homeowners Association	\$ 570.00	26 Racine
John W. Galligan (Survey)	\$ 8,000.00	Monticello Manor
Philadelphia Insurance Companies	\$ 579.19	Insurance
Sullivan County Democrat	\$ 33.63	Advertising
River Realty Services, Inc.	\$ 2,425.00	26 Racine
Wire Pro Electric	\$ 3,250.00	48 Yaun
Collier Construction LLC	\$ 49,280.00	48 Yaun
Loveland	\$ 10.00	Office Expense
To Be Paid:		
NYSEG (48 Yaun Avenue, Liberty)	\$ 67.15	48 Yaun
NYSEG (17 Cooke Lane, Monticello)	\$ 26.79	17 Cooke
Lee & Mason Financial Services, Inc.	\$ 1,654.79	Insurance
Harris Woods Homeowners Association	\$ 285.00	26 Racine
Jacobowitz & Gubitz LLP (Jan. & Feb. 2020)	\$ 2,495.33	Legal Fees
RUPCO, Inc. (Housing Coordination Services)	\$ 10,183.79	Contracts
Sullivan County Democrat	\$ 33.23	Advertising
River Realty Services, Inc.	\$ 6,466.01	26 Racine
Brown & Brown Empire State	\$ 31,740.43	Insurance
W Design	\$ 4,500.00	Advertising
Utility Protection Agency (Salvatore Cuce)	\$ 500.00	15 Jordan
Account Balance After Bills Paid:	\$239,438.83	

A motion was made by Buck, seconded by Ferguson, all present approved the bills to be paid listed above.

III. Approval of Minutes – February 20, 2020

A motion was made by Steingart, seconded by Ferguson, all present approved the minutes from the February 20, 2020 meeting.

IV. Status Report & Resolutions

RESOLUTION TO RECOMMEND APPOINTMENT TO THE LAND BANK BOARD OF DIRECTORS

WHEREAS, letters of interest were received from prospective Board members; and

WHEREAS the Land Bank currently has three vacancies on the Board.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. Anna Milucky be recommended for appointment to fill a vacancy by the Sullivan County Legislature; and
2. This Resolution shall take effect immediately.

Moved by Nikolados and seconded by Ferguson to add Anna Milucky. Then moved by Buck, seconded by Nikolados, put to a vote with Jacquie Leventoff and Alan Sorensen absent, all present carried and declared duly adopted by a vote of 6 Ayes, 0 Nays.

RESOLUTION ADOPTING CERTAIN SCLBC POLICIES, STATEMENTS & PROCEDURES

WHEREAS, the Sullivan County Land Bank Corporation is a not-for-profit corporation duly organized and validly existing under the laws of the State of New York; and

WHEREAS, the SCLBC desires to adopt certain policies, statements and procedures to assist it in the implementation of its stated purposes and in compliance with the New York Not-For-Profit Corporation Law, the New York Public Authorities Accountability Act of 2005 and the New York Public Authorities Reform Act of 2009, as amended.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

3. The SCLBC hereby adopts the following policies and guidelines in the form presented at this meeting:
 - a. Acquisition Policy
 - b. Disposition Policy
 - c. Non-Discrimination & Affirmative Action Policy
 - d. Procurement Policy
 - e. Defense and Indemnification Policy
 - f. Travel Policy
 - g. Privacy Policy
 - h. Internal Control Policy
 - i. Code of Ethics & Conflict of Interest Policy
 - j. Acceptance of Donated Property Policy
 - k. Sustainable Construction Policy
 - l. Whistleblower Policy
 - m. Mission Statement
 - n. Investment Policy
 - o. Harassment-Free Workplace Policy
4. This Resolution shall take effect immediately.

Moved by Leventoff, seconded by Buck, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

RESOLUTION TO ADOPT THE 2019 REPORTS TO COMPLY WITH ABO REQUIREMENTS

WHEREAS, the State of New York Authorities Budget Office requires the Sullivan County Land Bank Corporation to submit annual reports for reporting purposes; and

WHEREAS, drafts of the 2019 annual reports were presented to the Board.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. The 2019 Annual Reports, attached hereto as Exhibit A is adopted;
2. This Resolution shall take effect immediately.

Moved by Leventoff, seconded by Buck, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

RESOLUTION ELECTING OFFICERS AND COMMITTEE MEMBERS

WHEREAS, the Sullivan County Land Bank Corporation is a not-for-profit corporation duly organized and validly existing under the laws of the State of New York; and

WHEREAS, in accordance with the Bylaws of the GSPDC, the Board of Directors (the "Board"), has elected officers and committee members to serve until the Board's next Annual Meeting.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. The Board hereby elects the following persons to the offices set forth opposite their names until their successors are elected and assume office:

<i>Name</i>	<i>Office</i>
Freda Eisenberg	Chair
Jacque Leventoff	Vice Chair
George Nikolados	Treasurer
Anna Milucky	Secretary

2. The Board hereby elects the following persons to the Audit Committee to serve until their successors are elected:
 1. Nancy Buck
 2. Ira Steingart
 3. Sims Foster
3. The Board hereby elects the following persons to the Governance Committee to serve until their successors are elected:
 1. George Nikolados
 2. Freda Eisenberg
 3. Jacque Leventoff
4. The Board hereby elects the following persons to the Finance Committee to serve until their successors are elected:
 1. George Nikolados
 2. Alan Sorensen
 3. Anna Milucky
5. The Board hereby elects the following persons to the Personnel Committee to serve until their successors are elected:
 1. Jacque Leventoff
 2. Ira Steingart
 3. Nancy Buck
6. The Board hereby elects the following persons to the Acquisition, Rehab & Disposition Advisory Board to serve until their successors are elected:
 1. Alan Sorensen
 2. Nancy Buck

3. Freda Eisenberg
4. Jacquie Leventoff
5. Vicky Ferguson
7. The Chair and the Executive Director of the SCLBC are each hereby authorized and directed to execute all documents on behalf of the SCLBC which may be necessary or desirable to further the intent of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.
8. .This Resolution shall take effect immediately.

A motion was made by Buck, seconded by Ferguson for discussion. A motion was made by Leventoff, seconded by Vicky to merge the Acquisition & Rehab and Disposition Advisory Board into the Acquisition, Rehab & Disposition Advisory Board. A motion was made by Eisenberg, seconded by Leventoff to accept the resolution as amended, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

RESOLUTION TO ACQUIRE PROPERTY FROM NATIONAL COMMUNITY STABILIZATION TRUST

WHEREAS, the National Community Stabilization Trust ("NCST") is a non-profit organization that serves as the bridge between financial institutions and local housing providers to stabilize neighborhoods; and

WHEREAS, NCST helps community-based housing providers accomplish housing strategies that ensure low- and moderate-income families have access to affordable, safe homeownership and rental opportunities; and

WHEREAS, the Sullivan County Land Bank ("Land Bank") has applied to participate in NCST's REO acquisition programs, which facilitate the transfer of properties between participating financial institutions ("REO Sellers") and eligible local housing providers ("Community Buyers"); and

WHEREAS, a property has been identified through the Mr. Cooper First Look Program and upon review by the Acquisition Advisory Group, it is recommended that the Land Bank acquire the available properties located at 71 Oak Street, Town of Tusten (12.-16-5.4).

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. The Board hereby authorizes the acquisition of the above properties, subject to the completion of due diligence.
2. The Board also hereby authorizes, Jill M. Weyer, Executive Director, to sign any and all necessary documents to acquire said properties.
3. This Resolution shall take effect immediately.

Moved by Eisenberg, seconded by Ferguson, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

RESOLUTION TO APPLY TO USDA-RD FOR A RDBG GRANT

WHEREAS, USDA-RD has announced the Rural Development Business Grant program; and

WHEREAS, an application would be submitted for funds to assist with the NYSDOS Greenworks program and developing a greenworkforce training program to benefit SCLBC.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. Jill Weyer, Executive Director, is authorized to execute any and all documents necessary to apply for the USDA-RD RDBG Grant and, if awarded, such grant is accepted.
2. This Resolution shall take effect immediately.

Moved by Eisenberg, seconded by Ferguson, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

RESOLUTION TO APPLY FOR A PRESERVE NY GRANT FOR 91 CHESTNUT

WHEREAS, the Preservation League of NYS has announced funding available through the Preserve NY Grant Program; and

WHEREAS, an application would be submitted for funds to assist with the redevelopment plans for 91 Chestnut Street in Liberty, NY.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. Jill Weyer, Executive Director, is authorized to execute any and all documents necessary to apply for the Preserve NY Grant and, if awarded, such grant is accepted.
2. This Resolution shall take effect immediately.

Moved by Ferguson, seconded by Steingart, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

RESOLUTION TO APPLY FOR VARIOUS PROGRAMS FOR CREATIVE PLACEMAKING PROJECTS

WHEREAS, various sources have been identified to further the Creative Placemaking projects on vacant lots in SCLBC Inventory; and

WHEREAS, applications and letter of intents would be submitted for funds to assist with the creative placemaking projects.

NOW, THEREFORE, BE IT RESOLVED by the Sullivan County Land Bank Corporation that:

1. Jill Weyer, Executive Director, is authorized to execute any and all documents necessary to apply for the various programs, and if awarded a separate resolution accepting the award will be submitted.
2. This Resolution shall take effect immediately.

Moved by Ferguson, seconded by Foster, put to a vote with Nikolados & Sorensen absent, carried and declared duly adopted on a vote of 6 ayes, 0 nays.

V. Discussion Items

New Construction Options

Jill & Eugenia gave an overview of the process and the need for a consistent process to ensure we are able to carry out our commitment to build 3 new homes for the Enterprise Funding. We received several responses through the RFQ process but we would prefer to enter into a co-developer agreement with RUPCO to administer this project. We need to determine how the funding would be allocated and how the agreement will be structured. We will work with RUCO to draft a co-developer agreement for review and present a draft to the board for adoption.

New Website

Jill mentioned the new website is up and running and asked all Board members to check it out.

ABO Requirements

Jill mentioned we are still awaiting our 2019 Audit because of some delays with our accounting and the need to revalue our inventory so as to not inflate our assets. Jill asked for a special meeting to be called to finalize the Audit and adopt prior to ABO deadline. A motion was made by Eisenberg, seconded by Ferguson to notice the special meeting for Tuesday, March 31st at 8:30 via Zoom.

VI. Public Comment

No public comment received.

VII. Adjournment

The meeting was adjourned at 9:30 am upon a motion by Ferguson, seconded by Steingart, with all present approving.

**SULLIVAN COUNTY
LAND BANK CORPORATION**

FINANCIAL REPORT

**For the Years Ended
December 31, 2019 and 2018**

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SULLIVAN COUNTY LAND BANK CORPORATION

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INDEPENDENT AUDITORS' 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 Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years 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.

Auditors' 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 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 auditors' 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended December 31, 2019, the Land Bank revised its policy for valuation of property received. As discussed in Note 7 to the financial statements, net position as of December 31, 2018 was restated to reflect this change in policy. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2020 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, 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 _____, 2020 on our consideration of the Land Bank's compliance with §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 §2925(3)(f) of the New York State Public Authorities Law.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2020

SULLIVAN COUNTY LAND BANK CORPORATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	<u>2019</u>	<u>2018</u> <u>Restated</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 37,338	\$ 239,156
Prepaid Expense	1,590	1,590
Total Current Assets	<u>38,928</u>	<u>240,746</u>
Noncurrent Assets		
Land and Property Inventory	788,933	138,225
Property and Equipment, Net	1,949	2,436
Total Noncurrent Assets	<u>790,882</u>	<u>140,661</u>
Total Assets	<u>\$ 829,810</u>	<u>\$ 381,407</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 34,245	\$ 6,318
Total Liabilities	<u>34,245</u>	<u>6,318</u>
Net Assets		
Without Donor Restrictions	795,565	375,089
Total Net Assets	<u>795,565</u>	<u>375,089</u>
Total Liabilities and Net Assets	<u>\$ 829,810</u>	<u>\$ 381,407</u>

See Notes to Financial Statements

SULLIVAN COUNTY LAND BANK CORPORATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u> <u>Restated</u>
Revenues		
Grant Income	\$ 752,368	\$ 486,569
Contributions	5,000	-
In-Kind Donation - Property	534,810	127,834
In-Kind Donation - Personnel	70,134	46,103
In-Kind Donation - Travel	1,546	-
Total Revenues	<u>1,363,858</u>	<u>660,506</u>
Expenses		
Program Services	807,131	352,771
Management and General	54,634	23,051
Total Expenses	<u>861,765</u>	<u>375,822</u>
Loss on Sale of Land and Property	<u>(81,617)</u>	<u>-</u>
Total Increase in Net Assets	420,476	284,684
Net Assets, Beginning of Year	<u>375,089</u>	<u>90,405</u>
Net Assets, End of Year	<u><u>\$ 795,565</u></u>	<u><u>\$ 375,089</u></u>

See Notes to Financial Statements

SULLIVAN COUNTY LAND BANK CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	Program Services	Management and General	Total Expenses	
			2019	2018 Restated
Demolition	\$ 561,232	\$	\$ 561,232	\$ 221,330
Taxes and Licenses	64,478	6,018	70,496	2,029
In-Kind Personnel	35,067	35,067	70,134	46,103
Professional Services	44,926	4,900	49,826	
Insurance	40,186	2,884	43,070	8,686
Legal Fees	21,612	490	22,102	26,568
Cost of Properties Sold	16,319		16,319	58,696
Accounting Fees	9,809	2,600	12,409	4,065
Office Expenses	5,963	393	6,356	100
Travel	3,114	1,546	4,660	908
Advertising	2,035	223	2,258	5,337
Dues and Subscriptions	2,000		2,000	2,000
Depreciation		487	487	
Landscaping and Maintenance	390	26	416	
Total Expenses	\$ 807,131	\$ 54,634	\$ 861,765	\$ 375,822

See Notes to Financial Statements

SULLIVAN COUNTY LAND BANK CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Demolition	\$ 221,330	\$	\$ 221,330
Cost of Properties Sold	58,696		58,696
In-Kind Personnel	23,052	23,051	46,103
Legal Fees	26,568		26,568
Insurance	8,686		8,686
Advertising	5,337		5,337
Accounting Fees	4,065		4,065
Taxes and Licenses	2,029		2,029
Dues and Subscriptions	2,000		2,000
Travel	908		908
Office Expenses	100		100
Total Expenses	<u>\$ 352,771</u>	<u>\$ 23,051</u>	<u>\$ 375,822</u>

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See Notes to Financial Statements

SULLIVAN COUNTY LAND BANK CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u> <u>Restated</u>
Cash Flows from Operating Activities		
Grant and Contribution Receipts	\$ 757,368	\$ 486,569
Cash Paid to Suppliers	<u>(959,186)</u>	<u>(335,382)</u>
Net Cash Provided by Operating Activities	<u>(201,818)</u>	<u>151,187</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	<u>-</u>	<u>(2,436)</u>
Net Cash Used in Investing Activities	<u>-</u>	<u>(2,436)</u>
Net Change in Cash and Cash Equivalents	(201,818)	148,751
Cash and Cash Equivalents, Beginning of Year	<u>239,156</u>	<u>90,405</u>
Cash and Cash Equivalents, End of Year	<u>\$ 37,338</u>	<u>\$ 239,156</u>
Noncash Activities		
Property Donations Added to Inventory	\$ 534,810	\$ 127,834
Administrative Services Provided by Sullivan County	70,134	46,103
Travel Expenses Provided In-Kind	1,546	

See Notes to Financial Statements

SULLIVAN COUNTY LAND BANK CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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

Nature of Activities

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 nonprofit 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 Accounting

The Land Bank uses the accrual method of accounting and, accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Use of Estimates

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

Basis of Presentation

The financial statements of the Land Bank have been prepared in accordance with U.S. GAAP, which requires the Land Bank to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Land Bank's management and the Board of Directors.

- **Net Assets With Donor Restrictions**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Land Bank or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities. There were no net assets with donor restrictions as of December 31, 2019 and 2018, respectively.

SULLIVAN COUNTY LAND BANK CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

***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 Federal Deposit Insurance Corporation (FDIC) insurance limits. There were no uninsured amounts at December 31, 2019 or 2018.

Inventory

Land and property held as of December 31, 2019 and 2018 are valued at the following depending upon the condition of and managements' intended use of the property:

- Vacant lots and properties intended for demolition are recorded at an industry determined de minimus value of \$151.
- Residential and commercial properties intended for rehabilitation are recorded at an amount equal to half of the total assessed value of the property as listed in the County's real property database. Any costs incurred during the rehabilitation process that are determined to add value to the property or are generally capitalized under U.S. GAAP are capitalized into inventory.

Property and Equipment

Fixed assets acquired by the Land Bank are capitalized at cost or, in the case of donated assets, at fair value at the date of acquisition and depreciated on a straight-line basis over their useful lives of 5-7 years.

Revenue

The Land Bank is primarily funded through grants from the County of Sullivan, local municipalities, and agencies of the State of New York.

Contributions

Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions depending on the existing and/or nature of any donor restrictions. There were no promises to give for the years ended December 31, 2019 and 2018.

Contracts With Customers

The Land Bank enters into contracts with customers for the sale of rehabilitated land and properties. At December 31, 2019 and 2018, the Land Bank has met the performance obligations in those respective agreements and recognized the corresponding revenue in the Statements of Activities.

Functional Expenses

The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Land Bank are reported as expenses of those functional areas. A portion of costs that benefit multiple functional areas (indirect costs) have been allocated across programs, management and general, and fundraising expenses. Expenses were allocated by function using a reasonable and consistent approach that was primarily based on the costs attributable by function based on estimated percentage of time and effort, square footage, or full-time equivalent.

SULLIVAN COUNTY LAND BANK CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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

Functional Expenses

The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Land Bank are reported as expenses of those functional areas. A portion of costs that benefit multiple functional areas (indirect costs) have been allocated across programs, management and general, and fundraising expenses. Expenses were allocated by function using a reasonable and consistent approach that was primarily based on the costs attributable by function based on estimated percentage of time and effort, square footage, or full-time equivalent.

Tax Exemption

The Land Bank is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code. In addition, the Land Bank qualifies for the charitable contributions deduction under §170(b)(1)(A) and has been classified as an entity other than a private foundation under §509(a)(2). However, income from certain activities not directly related to the Land Bank's tax-exempt purpose is subject to taxation as unrelated business income. The Land Bank does not believe that it has any uncertain tax positions with respect to these or other matters and has not recorded any unrecognized tax benefits or liability for penalties or interest.

Advertising

Advertising costs are expensed as incurred.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers" (Topic 606), effective for years beginning after December 15, 2018. This update supersedes existing revenue recognition guidance. Entities should now recognize revenue depicting the transfer of promised goods or services in a manner which reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, FASB issued ASU No. 2015-14. The purpose of this update was to defer the effective date of ASU No. 2014-09. Accordingly, the effective date for non-public entities is for years beginning after December 15, 2018, applied on a retrospective basis.

In June 2018, FASB issued ASU 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" (Topic 958). This accounting standard is meant to help nonprofit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for resources provided. If the resource provider does receive commensurate value, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received from the resource provider, the transfer is a contribution. The effective date of this ASU is for years beginning after December 15, 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those reporting periods.

SULLIVAN COUNTY LAND BANK CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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

New Accounting Pronouncements - Continued

During the year ended December 31, 2019, the Land Bank adopted the above accounting pronouncements. Where applicable, the previously reported balances have been reclassified to conform to the new pronouncements. The adoption had no effect on the net asset balances previously reported.

Reclassification

Certain amounts reported at December 31, 2018 have been reclassified to conform to current year presentation.

Subsequent Events

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through _____, 2020, the date by which the financial statements were available to be issued.

Note 2 **Investments**

In accordance with §2925(6) of the Public Authorities Law for New York State Public Authorities, the Land Bank reported no investments as of and for the years ended December 31, 2019 and 2018, respectively. 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 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.

Note 4 **Property Inventory**

In accordance with §2896(3) of the Public Authorities Law for New York State, the Land Bank reports it owns land and property with a recorded value of \$788,933 and \$138,225 at December 31, 2019 and 2018, respectively. The land is located within the County.

Note 5 **Grant Revenue**

The Land Bank recorded grants as follows at December 31:

	<u>2019</u>	<u>2018</u>
Grant Revenue		
Sullivan County	\$ 100,000	\$ 100,000
Enterprise Community Partners, Inc.	254,750	
New York State Local Initiative Support Corporation	349,922	
Village of Monticello	25,000	
Private Foundations	22,696	360,000
NCST		26,569
	<u>\$ 752,368</u>	<u>\$ 486,569</u>

SULLIVAN COUNTY LAND BANK CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Note 6 Availability and Liquidity

The following represents the Land Bank's financial assets at December 31:

	<u>2019</u>	<u>2018</u>
Financial Assets at Year End		
Cash and Cash Equivalents	\$ 37,338	\$ 239,156
Total Financial Assets Available		
Within One Year	<u>\$ 37,338</u>	<u>\$ 239,156</u>

The Land Bank manages financial assets to be available as its operating expenditures and liabilities come due.

Note 7 Restatement of Beginning Net Assets

During the current year, the Land Bank's management re-evaluated the value of Land and Property Inventory, and as a result, management has made the following net asset adjustments as of December 31, 2018:

Beginning Net Position, as Previously Reported	\$ 1,258,729
Restatement of Land and Property Inventory	(883,640)
Beginning Net Position, as Restated	<u>\$ 375,089</u>

Note 8 Change in Accounting Principle

The management of the Land Bank has determined that its previous policy related to the initial recording of real property inventory donated to the organization caused the value of their inventory to be overvalued.

Previously, the Land Bank's policy was to record real property inventory at the estimate of fair market value at the date of the donation plus any costs incurred during the rehabilitation process.

Under the new accounting policy, the Land Bank will record the initial donation of inventory at a de minimus amount (determined by management based upon current industry standards) or at an amount equal to a percentage of the total assessed value of the property (depending on the intended use of the property). See Note 1 - Summary of Significant Accounting Policies - Inventory and Note 7 - Restatement of Beginning Net Assets.

**INDEPENDENT AUDITORS' 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 Statements of Financial Position as of December 31, 2019, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2020.

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
_____, 2020

DRAFT

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
§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 years ended December 31, 2019 and 2018, 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 _____, 2020.

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 County 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
_____, 2020

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT**

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

We have audited the financial statements of the Sullivan County Land Bank Corporation (the Land Bank), a component unit of the County of Sullivan, for the years ended December 31, 2019 and 2018, and have issued our report thereon dated _____, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 29, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Land Bank are described in Note 1 to the financial statements. As described in Note 1, the Land Bank adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), as amended, and has applied the changes retrospectively. Additionally, the Land Bank also adopted FASB ASU No. 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" (Topic 958), as amended, and has applied the changes on a modified prospective basis. As described in Notes 7 and 8, the Land Bank changed the method of valuing the initial of value of property received during 2019. We noted no transactions entered into by the Land Bank during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the valuation of land and property and allocation of functional expenses.

Management's estimate of the valuation of land and property is based on assessed and realizable values. Management's estimates of the allocation of functional expenses are based on time and effort, square footage, and full-time equivalent. We evaluated the key factors and assumptions used to develop the valuation of land and property and allocation of functional expenses estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of land and property inventory, restatement, and change in accounting principle, detailed in Notes 4, 7, and 8 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of our audit procedures.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2020.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Land Bank's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Land Bank's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the information and use of the Board of Directors, and other regulatory agencies 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
_____, 2020

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(845)807-0541

info@sullivancountylandbank.org
www.sullivancountylandbank.org

BOARD OF DIRECTORS

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Jacquie Leventoff, Vice-Chair
George Nikolados, Treasurer
Anna Milucky, Secretary
Nancy Buck
Vicky Ferguson
Sims Foster
Alan Sorensen
Ira Steingart
Vacancy
Vacancy

EXECUTIVE DIRECTOR

Jill M. Weyer

MISSION STATEMENT

Our mission is to strategically acquire tax delinquent, foreclosed, vacant and abandoned properties; eliminate barriers to their redevelopment; and sell the rehabilitated properties to new, responsible owners in a transparent manner that results in outcomes consistent with County and local land use goals and priorities. Initial work will focus on the Villages of Monticello and Liberty, where the need is greatest.

March 27, 2020

Insero & Co. CPAs, LLP
401 East State Street, Suite 500
Ithaca, New York 14850

This representation letter is provided in connection with your audits of the financial statements of the Sullivan County Land Bank Corporation, a component unit of the County of Sullivan (the Land Bank), which comprise the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 27, 2020, the following representations made to you during your audits.

Financial Statements

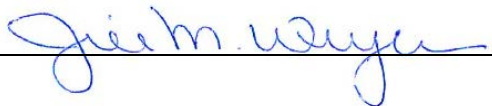
1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 29, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Land Bank is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
12. Upon implementation of Accounting Standards Update (ASU) 2014-09, revenue from contracts with customers has been appropriately accounted for and disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, "Revenue from Contracts with Customers." All contracts underlying revenue recognized in the financial statements have commercial substance and have been approved by appropriate parties. We have considered side agreements, implied promises, and unstated customary business practices in identifying performance obligations in the contracts. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amount and timing of revenue recognized in the financial statements.
13. We have implemented Accounting Standards Update (ASU) 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" (Topic 958), during the audit period. We have implemented the ASU in accordance with the transition guidance prescribed in the ASU. We have sufficient and appropriate documentation supporting all estimates and judgements underlying the amounts recorded and disclosed in the footnotes.
14. We agree with the restatement of the previously issued financial statements discussed in Notes 7 and 8 to describe changes in the method of valuing property received.
15. We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year's financial statements and Independent Auditors' Report.

Information Provided

16. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Land Bank from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

17. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
18. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
19. We have no knowledge of any fraud or suspected fraud that affects the Land Bank and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
20. We have no knowledge of any allegations of fraud or suspected fraud affecting the Land Bank's financial statements communicated by employees, former employees, grantors, regulators, or others.
21. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
22. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
23. We have disclosed to you the identity of the Land Bank's related parties and all the related party relationships and transactions of which we are aware.
24. The Land Bank has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
26. Sullivan County Land Bank Corporation is an exempt organization under §501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Land Bank's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.
27. In regard to the preparation of the financial statements and related notes, and the preparation of the federal and state information returns services performed by you, we have:
 - a. Assumed all management responsibilities.
 - b. Designated an individual within senior management who has suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.

Signed: 

Title: Executive Director