

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

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

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

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

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**INDEPENDENT AUDITOR'S REPORT**

March 3, 2021

To the Board of Directors of the  
Steuben County Land Bank Corporation

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Summarized Comparative Totals**

We have previously audited the Corporation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters***Required Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2021 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

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

**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2020**

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

**GENERAL INFORMATION**

This Corporation was incorporated in 2016 to address the problems with vacant, abandoned, or tax delinquent property in the County of Steuben, New York (the County) with the intent to return the properties to productive use.

**Overview of the Financial Statements**

This annual financial report consists of two parts: this section, 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 basic financial statements and notes to those statements. The Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, the Statement 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 Statement of Net Position includes all of the Corporation's assets and liabilities, using the accrual basis of accounting. The Statement of Revenues, Expenses and Change in Net Position reports all of the revenues and expenses during the time period indicated. The Statement of Cash Flows reports the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for debt.

The 2020 financial statements are presented with comparative totals from 2019.

**FINANCIAL HIGHLIGHTS**

- The Corporation's total net position at December 31, 2020 and 2019 was \$624,536 and \$403,648, respectively.
- Total current assets at December 31, 2020 and 2019 were \$653,503 and \$408,501, respectively. Current assets were comprised of cash, inventory, grants receivable, and prepaid insurance.
- Total current liabilities at December 31, 2020 and 2019 were \$28,967 and \$4,853, respectively. Current liabilities were comprised of accounts payable and advanced grant funds which have not yet been expended. The Corporation has provided reasonable assurance that these funds will be used.
- Operating revenues for the year ended December 31, 2020 were \$460,315 and consisted of income from grants, the sale of rehabilitated property, the value of property donated to the Corporation, and in-kind services provided by the County. Operating revenues for the year ended December 31, 2019 were \$351,603, and consisted of the same items as in 2020.
- Operating expenses for the years ended December 31, 2020 and 2019 were \$239,904 and \$299,265, respectively.
- Operating income for the years ended December 31, 2020 and 2019 was \$220,411 and \$52,338, respectively.

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

**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2020**

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

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

	<u>2020</u>	<u>2019</u>
Current assets	\$ 653,503	\$ 408,501
Current liabilities	<u>28,967</u>	<u>4,853</u>
Total Net position - unrestricted	<u>\$ 624,536</u>	<u>\$ 403,648</u>

**Current Assets**

Current assets at December 31, 2020 were comprised of cash from a grant and the sale of rehabilitated property, inventory, and prepaid expense for 2021 insurance premiums.

Current assets at December 31, 2019 were comprised of cash from a grant and the sale of rehabilitated property, grants receivable, inventory, and prepaid expense for 2020 insurance premiums.

**Inventory**

As of December 31, 2020, inventory consists of seven properties. The Corporation acquired two new properties during the year and sold one property. Inventory at December 31, 2019 consisted of six properties. Management intends to complete either demolition or rehabilitation of these properties and then sell them.

**Capital Assets**

As of December 31, 2020 and 2019, the Corporation did not possess any capital assets.

**Current Liabilities**

Current liabilities are comprised of accounts payable and advanced grant funds on a grant award from Enterprise Community Partners (Enterprise) that have been received but not yet spent for their designated purpose. The total grant award is \$555,000. As of December 31, 2020, \$428,769 has been received from Enterprise and \$415,861 has been spent to date. As of December 31, 2019, \$47,945 had been received from Enterprise and \$57,742 was spent to date. There was a receivable from Enterprise at December 31, 2019.

As of December 31, 2019, current liabilities were comprised of advanced grant funds not yet spent from Local Initiatives Support Corporation (LISC). The \$4,853 unearned as of December 31, 2019 was fully spent in 2020.

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

**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2020**

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

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Grant revenue	\$ 362,972	\$ 187,774
Sale of property	1,311	98,837
In-Kind revenue	81,032	60,392
Donation of property	<u>15,000</u>	<u>4,600</u>
Total operating revenues	<u>460,315</u>	<u>351,603</u>
OPERATING EXPENSES:		
Cost of sales	57,170	151,616
Unrealized loss on inventory	60,056	27,128
Property maintenance	13,728	3,177
Management fees	47,309	37,465
Insurance	32,669	29,100
Professional services	7,500	7,500
General and administrative expenses	2,000	2,020
In-Kind expense	<u>19,472</u>	<u>41,259</u>
Total operating expenses	<u>239,904</u>	<u>299,265</u>
Operating income	<u>220,411</u>	<u>52,338</u>
NON-OPERATING REVENUE		
Interest income	<u>477</u>	<u>530</u>
Total non-operating revenues	<u>477</u>	<u>530</u>
CHANGE IN NET POSITION	220,888	52,868
NET POSITION - beginning of year	<u>403,648</u>	<u>350,780</u>
NET POSITION - end of year	<u>\$ 624,536</u>	<u>\$ 403,648</u>

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

**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2020**

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**Operating Revenues**

Operating revenue was comprised of revenue from grants, the sale of property, the donation of property to the Corporation, and services rendered in-kind. In 2020, operating revenue increased approximately \$109,000 mainly due to an increase in grant revenue earned as the Corporation worked on property rehabilitations and demolitions funded through the Enterprise grant.

**Operating Expenses**

Operating expenses in 2020 and 2019 were primarily comprised of cost of sales, management fees, insurance premiums, services rendered in-kind, and unrealized loss on inventory. Operating expenses decreased approximately \$59,000 in 2020 as a result of fewer property sales, which caused cost of sales to be lower than in the prior year.

**Operating Results**

The Corporation had operating income of \$220,411 for the year ended December 31, 2020 and \$52,338 for the year ended December 31, 2019.

**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 Steuben County Land Bank Corporation - Steuben County Office Building, 3 East Pulteney Square, Bath, NY 14810.

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

**Statement of Net Position**  
**December 31, 2020**  
**(With Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 216,177	\$ 232,988
Restricted cash	12,908	4,853
Grants receivable	-	9,797
Inventory	403,757	140,677
Prepaid expenses	<u>20,661</u>	<u>20,186</u>
 Total current assets	 <u>653,503</u>	 <u>408,501</u>
 Total assets	 <u>653,503</u>	 <u>408,501</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	16,059	-
Grant revenue advance	<u>12,908</u>	<u>4,853</u>
 Total liabilities	 <u>28,967</u>	 <u>4,853</u>
<b>NET POSITION</b>		
 Unrestricted	 <u>624,536</u>	 <u>403,648</u>
 Total net position	 <u>\$ 624,536</u>	 <u>\$ 403,648</u>

The accompanying notes are an integral part of these statements.

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

**Statement of Revenues, Expenses and Change in Net Position**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE:		
Grant revenue	\$ 362,972	\$ 187,774
Sale of property	1,311	98,837
In-Kind revenue	81,032	60,392
Donation of property	<u>15,000</u>	<u>4,600</u>
 Total operating revenues	 <u>460,315</u>	 <u>351,603</u>
OPERATING EXPENSES:		
Cost of sales	57,170	151,616
Unrealized loss on inventory	60,056	27,128
Property maintenance	13,728	3,177
Management fees	47,309	37,465
Insurance	32,669	29,100
Professional services	7,500	7,500
General and administrative expenses	2,000	2,020
In-Kind expense	<u>19,472</u>	<u>41,259</u>
 Total operating expenses	 <u>239,904</u>	 <u>299,265</u>
 Operating income (loss)	 <u>220,411</u>	 <u>52,338</u>
NON-OPERATING REVENUE		
Interest income	<u>477</u>	<u>530</u>
 Total non-operating revenue	 <u>477</u>	 <u>530</u>
 CHANGE IN NET POSITION	 220,888	 52,868
NET POSITION - beginning of year	<u>403,648</u>	<u>350,780</u>
NET POSITION - end of year	<u>\$ 624,536</u>	<u>\$ 403,648</u>

The accompanying notes are an integral part of these statements.

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

**Statement of Cash Flows**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from grants	\$ 380,824	\$ 162,362
Cash received from sale of property	1,311	98,837
Cash paid for inventory	(288,272)	(140,162)
Cash paid for property maintenance	(13,143)	(3,177)
Cash paid for management fees	(47,309)	(37,465)
Cash paid for insurance	(33,144)	(29,748)
Cash paid for professional services	(7,500)	(7,500)
Cash paid for general and administrative expenses	<u>(2,000)</u>	<u>(2,020)</u>
Net cash from operating activities	<u>(9,233)</u>	<u>41,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash received from interest	<u>477</u>	<u>530</u>
Net cash from investing activities	<u>477</u>	<u>530</u>
CHANGE IN CASH	(8,756)	41,657
CASH - beginning of year	<u>237,841</u>	<u>196,184</u>
CASH - end of year	<u>\$ 229,085</u>	<u>\$ 237,841</u>
<b>RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION:</b>		
Cash	\$ 216,177	\$ 232,988
Restricted cash	<u>12,908</u>	<u>4,853</u>
Total	<u>\$ 229,085</u>	<u>\$ 237,841</u>

The accompanying notes are an integral part of these statements.

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

**Statement of Cash Flows (Continued)**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ 220,411	\$ 52,338
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Changes in:		
Grants receivable	9,797	(9,797)
Inventory	(263,080)	14,849
Prepaid expenses	(475)	(648)
Grant revenue advance	8,055	(15,615)
Accounts payable	<u>16,059</u>	<u>-</u>
Net cash from operating activities	<u>\$ (9,233)</u>	<u>\$ 41,127</u>

Schedule of Noncash Investing, Capital and Financing Activities

In 2020 and 2019, the Corporation received \$61,560 and \$19,133, respectively, in inventory through the contribution of in-kind demolition services by the County Department of Public Works.

The accompanying notes are an integral part of these statements.

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

**Notes to Basic Financial Statements**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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**1. ORGANIZATION**

The Steuben County Land Bank Corporation (the Corporation), was formed in 2016 to assist communities within the County of Steuben, New York (the County) in addressing the issues of blight caused by vacant, abandoned, condemned and foreclosed properties. Operations commenced in 2017. The Corporation endeavors to reverse the trend of declining property values and further deterioration of Steuben County's housing and commercial stock by stabilizing neighborhoods, encouraging private investment and improving the quality of life for County residents.

The Corporation was formed with the County as its sole member. However, due to the immateriality of the Corporation to the County, it is not presented as a blended component unit.

**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.

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

**Notes to Basic Financial Statements**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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**Comparative Information**

The financial statements include certain prior-year summarized comparative information in total but not in the same detail used for the current year presentation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2019, from which the summarized information was obtained.

**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.

**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.

**Prepaid Expenses**

Prepaid expenses at December 31, 2020 and 2019 were comprised of amounts paid for insurance policies for the subsequent fiscal year.

**Grants Receivable**

Grants receivable consists of grant funding that was earned but not yet received from grant administrators as of year end.

**Grant Revenue Advance**

Grant advances consist of grant revenue which has been received in cash prior to meeting the definition of earned revenue. Therefore, these amounts are reflected as a liability on the balance sheet until revenue is deemed earned and recognized on the statement of revenues, expenses, and change in net position.

**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 interest income.

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

**Notes to Basic Financial Statements**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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**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. The Corporation did not have net investment in capital assets at December 31, 2020 or 2019.
- b. Restricted net position - Net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation did not have restricted net position at December 31, 2020 or 2019.
- c. Unrestricted net position - All other net position that does not meet the definition of net investment in capital assets or restricted net position.

It is the Corporation's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Reclassification**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements.

**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. As of December 31, 2020 and 2019, the reported amount of the Corporation's deposits was \$229,085 and \$237,841, and the bank balance was \$229,435 and \$238,751, respectively. The entire bank balance was covered by federal depository insurance each year.

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

**Notes to Basic Financial Statements**  
**For the year ended December 31, 2020**  
**(With Comparative Totals for 2019)**

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**4. CONCENTRATIONS OF CREDIT RISK**

The Corporation receives significant support from certain governmental entities. The primary source of funding is through grant awards from Local Initiatives Support Corporation (LISC) and Enterprise Community Partners, Inc. (Enterprise). Funding from LISC comprised 1% of revenue for the year ended December 31, 2020 and 37% of revenue for the year ended December 31, 2019. Funding from Enterprise comprised 78% of revenue in 2020 and 16% in 2019.

**5. AGREEMENT WITH ARBOR HOUSING AND DEVELOPMENT**

In July 2019, the Corporation renewed the agreement with Arbor Housing and Development (the Agent) wherein the Agent will provide services including program management related to administering grant awards, as well as construction, demolition and rehabilitation oversight. The agreement was effective for an initial period of two years and can be renewed up to five years by mutual agreement of the parties. The current agreement, which was effective July 2019, stipulates that the Corporation will pay the Agent \$11,827 quarterly for these services. Management fees paid to the Agent were \$47,309 and \$37,465 for the years ended December 31, 2020 and 2019, respectively.

**6. AGREEMENT WITH COUNTY OF STEUBEN, NEW YORK**

The Corporation has an agreement with the County wherein the County provides legal, managerial and demolition services. The total value of these in-kind services provided by the County was \$81,032 for the year ended December 31, 2020 and \$60,392 for the year ended December 31, 2019 and is recorded as in-kind revenue and expense. In 2020 and 2019, in-kind expenses were lower than in-kind revenues by \$61,560 and \$19,133, respectively, which is the value of demolition services provided by the County that was added to inventory of properties.

**7. 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**

March 3, 2021

To the Board of Directors of the  
Steuben County Land Bank Corporation

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 Steuben County Land Bank Corporation (the Corporation), a blended component unit of the County of Steuben, New York, as of and for the year ended December 31, 2020, and the related notes to the basic financial statements, and have issued our report thereon dated March 3, 2021.

**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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.