Allegany County
LAND BANK

ANNUAL REPORT

FISCAL YEAR 2019

ALLEGANY COUNTY LAND BANK
6087 State Rt. 19N, Suite 300, Belmont, NY 14813

As per Public Authorities Law Article 9, Title 1, §2800 (2),

The Allegany County Land Bank Corporation offers the following information regarding its status and activities for the year 2019:

Operations and Accomplishments

- Acquired 8 problem properties from around the county.
    - Three properties completely rehabilitated
    - Four properties demolished
    - One property secured and slated for future demolition
- $80,000 was added to the Allegany County planning budget for Land Bank operations.

Land Bank Bylaws, Policies, Meeting Minutes, and other organizational information can be found on the Land Bank's website: http://www.alleganycountylandbank.org

Mission Statement

The mission of the Allegany County Land Bank Corporation is to combat the problem of vacant and abandoned properties in Allegany County, New York and facilitate the return of vacant, abandoned and tax delinquent properties to productive use. To eliminate the harms and liabilities caused by abandoned and vacant properties. Through strategically selected properties the ACLBC will make it affordable for reputable consumers and developers to acquire properties.

Board of Directors: end of FY2019

Brian Loucks *Chair* S.C.O.R.E Mentor	**Darwin Fanton** *Treasurer, Contract and Asset Manager* Town of Wellsville Supervisor (retired)	**H. Kier Dirlam** *Secretary* Director of Planning; Allegany County	**Dave Evans** *Director* Building and Trades Instructor, Bolivar Central School (retired)

Directors who resigned in 2019: Dean Scholes (Jan, 2019); Jim Knapp (Apr, 2019); Tim Boyde (Jun, 2019); and Aaron Whitehouse (Aug, 2019); Deborah McDonnell (Dec, 2019)

Committees:

Governance- Dave Evans [chair], Kier Dirlam, and Darwin Fanton

Audit- Kier Dirlam [chair], Darwin Fanton, Dave Evans

Finance- Darwin Fanton [chair], Kier Dirlam, Dave Evans

Performance Measurements

Number of properties obtained in 2019: 8

Demolitions- 4, Rehabilitations- 3, and Stabilizations- 1

Anticipated number of properties to be acquired in 2020: 5

Anticipated number of demolitions to be completed in 2020: 1

Board members completed a confidential evaluation of board performance in accordance with ABO guidelines.

The Governance Committee performs an Assessment of the Effectiveness of Internal Controls which is adopted by the authority annually.

The Land Bank has an objective to work with the Allegany County to form a distressed property task force that will identify, catalog, and explore solutions to decrease the number of distressed, vacant, or abandoned properties in Allegany County. The Task Force would be comprised of representatives from the Land Bank, code enforcement, town's and village's personnel, law enforcement, legal experts, planning and development, and local non-profit and business leaders. Bringing together a diverse set of local representatives would give the Task Force the opportunity to take a systematic and deliberate approach at measuring the revitalization impact around the county.

The Land Bank reviews and approves monthly financial/budget reports that are drafted by the contracted accountant and submitted by the Land Bank Treasurer at the regular board meetings.

The contracted administrator submits monthly reports of performance.

Governance committee meets at least twice annually to review policies and procedures, performs an assessment of the boards performance, and internal controls.

The Audit committee meets at least twice annually and reviews all Land Bank contracts as well as the adopted operation budget. The Audit committee submits a real property and asset report to the board annually.

The Finance committee meets twice annually in compliance with public authority law but at this time the authority issues no bonds or debt.

2019 Assessment of the Effectiveness of Internal Controls

Provisions: Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.
Additionally, State authorities with a majority of the members appointed by the Governor must establish and maintain a system of internal control and a program of internal control review as provided in Title 8 of Public Authorities Law.

Objectives: The importance of an adequate system of internal control is to: (a) promote effective and efficient operations so as to help the authority carry out its mission; (b) provide reasonable, but not absolute, assurance that assets are safeguarded against inappropriate or unauthorized use; (c) promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with management's authorization and recorded properly in accounting records; (d) encourage adherence to management's policies and procedures for conducting programs and operations; and (e) ensure compliance with applicable laws and regulations. Furthermore, a successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.

For purposes of complying with the requirements of Section 2800, an internal control assessment is an annual evaluation performed by management to determine the effectiveness of its internal control system. This assessment should be sufficiently thorough so as to identify significant weaknesses in controls, recognize emerging or inherent risks, and to enable early detection of existing or potential problems. If an internal control system is working effectively, management will have a reasonable indication of the reliability of its operating practices and the accuracy of the information it is using to measure its activities and performance. Any deficiencies identified as a result of the assessment could be quickly addressed.

Risks and Weaknesses: Funding streams- current risk, high: The Land Bank does not have a reoccurring fund source. Risk is high because there is not secured funding to suffice the adopted budget until 2022. Potential grants on the horizon are visible but not guaranteed. If funds aren’t secured in Q1 2020, then the high risk will be critical.

Administrative Costs- current risk, medium: Current major funding is from OAG programs that limit administrative cost to 25% of award. A gap in funding will occur if administrative costs exceed 25% without an alternate source of funding available. This risk is not high because the Land Bank has received support from Allegany County cover some administrative operations.

Board Membership- current risk, medium: The fiscal year 2019 ended with several vacant seats on the land bank board. Solidifying the board composition is a priority going into FY 2020.

Available Rehab Properties- current risk, high: The Land Bank’s work plan and objectives have aimed at obtaining properties that are in a condition that would harbor

rehabilitation and make renovation efforts economically feasible. The Land Bank's operations rely on getting properties from the Allegany County tax foreclose process. The Land Bank is not allowed access to the interior of properties they purchase from the county which creates a risk that the Land Bank will buy properties for rehabilitation that prove to be beyond salvageable. To address this risk the Land Bank continually seeks problem properties from auctions or real estate market.

Internal Control Systems in Place

The Land Bank has established policies in compliance with Public Authorities, Non Profit, New York State and Federal Laws.
The Land Bank has an established contract officer to govern contracted agents and services. An asset list is kept and updated as needed by management under board supervision.
Board of Directors submit yearly statements that identify any possible conflicts of interest.
The Land Bank formed Governance, Finance, and Audit committees that meet at least twice yearly in compliance with ABO regulation. The committees work with management to identify weaknesses or hardships the authority faces.

Schedule of Bonds

The Allegany County Land Bank Corporation has not issued any bonds and therefore there is no schedule of any outstanding bonds or notes.

Compensation Schedule

The Allegany County Land Bank Corporation does not currently have employees.

Annual Investment Report

No investments to report

Procurement Report

As per Public Authorities Law Article 9, Title 1, §2800 (2), the Allegany County Land Bank Corporation offers the following information regarding its status and activities for the year 2019:

The Allegany County Land Bank had the following procurement transactions open during Fiscal Year 2019 with an actual or estimated value of $5,000:

Cattaraugus Community Action, Inc.	$180,918.00
Evingham Site Excavation	$152,450.00
Fourth Sector Services, LLC	$43,038.90
US Bank National Services	$36,334.51
CyrCo Construction	$30,300.00
ACCORD Corporation	$22,935.94
Brown's Plumbing	$18,500.00
AMW Contracting and Landscaping	$13,000.00
Allegany County Treasurer	$11,500.00
OMac Mountain	$6,000.00
Cunningham, Stauring, & Associates, Inc.	$4,929.04

Real Property Report

Address	Purchase Price	Year Acquired	Disposition
79 Clark St. Wellsville	$150	2017	Lot for Sale
King St. (off) Wellsville	$150	2017	Combined with 79 Clark St. Wellsville
2956 Second Ave. Wellsville	$1,150	2018	Sold to Neighbor 12-18-18 Demolition.
11557 Mill St. Wiscoy	$800	2018	Demolition/Lot for Sale
4 Pleasant Ave. Andover	$3,950	2018	Demolition/Lot Sold
40 Mechanic St. Angelica	$1,600	2018	Demolition/Lot for Sale
15 Chapel St. Belfast	$1,700	2018	Demolition/Lot Sold
19 Maple St. Andover	$750	2019	Demolition/Lot for Sale
1 Baker St. Andover	$750	2019	Demolition/Lot for Sale
172 E. State St. Wellsville	$1,950	2019	Demolition
178 E. State St. Wellsville	$1,850	2019	Demolition
37 King St. Wellsville	$1.450	2019	Demolition/Lot for Sale
51 Clark St. Wellsville	$1,950	2019	Rehabilitation/For Sale
1936 Rt 19. Willing	$2,800	2019	Rehabilitation/For Sale
95 W. Main St. Cuba	$37,052.51	2019	Rehabilitation/For Sale

2020 Adopted Budget

Allegany County LAND BANK

ACLBC Org Budget 2020		
	2019 Est	2020
Revenue	**Estimated**	**Proposed**
Income from property sales	2,470	425,000
County Budget	80,000	0
Enterprise/CRI4	276,444	223,556
LISC/CRI3	242,187	0
Cash on Hand	-1,665	42,414
	599,436	**690,970**
Expenditures		
Contracts	**61,166**	**73,700**
Legal	1,406	5,000
Audit	4,200	4,200
Accounting	4,911	5,000
Administration/ Consultant	46,067	56,500
Insurance	4,582	3,000
Non-Operation Expenditures	**2,827**	**6,500**
Program/office Supplies	544	500
Dues/Subscriptions	2,000	2,500
User Fees/ Misc Fees	100	500
Conference/Training	183	3,000
Operational Expenditures	**493,029**	**402,000**
Demolition	143,500	80,000
Rehab	298,376	160,000
New Construction	1,500	90,000
Acquisition/Stabilization	49,653	72,000
	557,022	**482,200**
	42,414	**208,770**