Allegany County
LAND BANK

ANNUAL REPORT

Fiscal Year 2023

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 2023

2023 OPERATIONS AND ACCOMPLISHMENTS

The Allegany County Land Bank Corporation (ACLBC) The land bank sold a newly built single-family home and a tax-foreclosed single-family home that will be used for firefighter training and subsequently demolished.

Five tax foreclosed properties were purchased from Allegany County in March, 2023.

ACLBC was awarded $472,479 by NY Homes and Community Renewal's Land Bank Initiative Program which will provide funding for administration, carrying costs, demolition and rehabilitation activities.

Over 18 tons of residential waste was removed from ACLBC owned structures through the utilization of an AmeriCorps NCCC team.

Environmental testing (asbestos, mold and lead-based paint) was conducted on nine land bank owned properties.

Individual scopes of work were developed as guidelines for the rehabilitation of five land bank owned homes.

ACLBC an Equal Housing Policy to ensure equitable treatment of buyers of land bank properties.

Land Bank Bylaws, Policies, Meeting Minutes, and other organizational information can be found on the Land Bank's website: http://www.aclbc.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 By Strategically Selecting Properties And Facilitating The Return Of Problem Properties To Productive Use- In Effort To Eliminate The Harms And Liabilities Caused By Abandoned And Vacant Properties -While Making It Affordable For Reputable Consumers And Developers To Acquire Land Bank Properties.

BOARD OF DIRECTORS: end of FY2023

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 at Allegany County	**Dave Evans** *Director* Building and Trades Instructor, Bolivar Central School (retired)
Jenna Kelley *Director* Allegany County Deputy Treasurer	**Ed Zalar** *Vice Chair* United States Postal Service (retired)		

LAND BANK COMMITTEES:

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

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

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

PERFORMANCE MEASUREMENTS

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 Governance Committee performs an Assessment of the Effectiveness of Internal Controls and the organizations mission statement which are adopted by the authority annually.

The Audit committee meets at least twice annually and reviews all Land Bank contracts and compensation schedule. 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 and drafts the adopted operation budget. The authority issued no bonds, debt or made any investments in 2023.

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

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, to set goals, and to track operations.

Revenue, Support and Collections

The entity receives revenues primarily from state grants. The process involves submitting for reimbursement of eligible expenses on a quarterly basis. Expenses are tracked on the General Ledger by the contracted accountant and used as the basis for preparation of the disbursement request. Billings are posted directly to AR, although this typically only happens at year-end to prepare for the audit. The books are maintained on a cash basis through-out the year. The AR system is integrated with the GL, so reconciliation is essentially automatic. The receivables are classified and segregated in the subsidiary ledger. The sub ledger is reviewed by the consultant for past-due accounts. Collectability issues are minimal as funding is government-based. Most deposits are received via wire transfer. This is true for all grant funds. Once the transfer has been initiated, the accountant posts an entry to the accounting software relieving the AR and recording the cash receipt. For property sales, amounts are received via check. Mail is opened by the consultant. All receipts are stamped “for deposit only” with the name and account number for deposit. The consultant delivers the receipt to the accountant for deposit and posting. The cash receipts are deposited intact soon after receipt (within a week) into the Organization's bank account. No disbursements may be made from the receipts. Copies of supporting documentation are retained by the accountant. Except for petty cash and the cash fund held in the cash register, there is no currency held on site.

Expenses, Cash Disbursements and Cash Reconciliations

Purchases are approved by using an informal purchase requisition process. Formal bids are required for purchases of equipment greater than $20,000 and for service contracts exceeding $35,000. All invoices are remitted from the consultant to the accountant for entry into the accounting system, using the appropriate expense account number. Checks for all contracts, and

non-utility service vendors, are cut once per month and delivered to the treasurer for signature. This typically occurs at monthly board meetings, where the entire board reviews a listing of proposed expenses. Utility bills associated assets do not go to the board for approval each billing cycle but are approved for payment in bulk by a board resolution. Utility bill checks are delivered to, and signed by, the treasurer on an as need basis. Once approved, the accounting consultant cancels the supporting documentation and marks it with the check number. Checks are pre-numbered. All blank checks are kept in a secure location. Invoices cannot be paid unless first signed by the treasurer. The check signer reviews all supporting documentation prior to signing the checks. After signature, the checks are remitted back to the accounting consultant for mailing. Voided checks have "VOID" written boldly in ink on the face and are kept on file. The treasurer accounts for the sequence of the pre-numbered checks.

The consultant reviews monthly bank statements for unexpected items before forwarding to the accountant. Reconciliations are performed by the accountant reviewed by the treasurer. All reconciling items are supported.

The accounts payable module is an integrated part of the general ledger system. Therefore, reconciliation to the general ledger is usually not necessary, unless an entry was booked to the control account without impacting the subsidiary ledger. Monthly vendor statements are reviewed and reconciled to the accounts payable trial balance by the consultant. The Board reviews monthly financial statements in detail and compares the balances in expense accounts to budgeted amounts. Any significant deviations from expectations are investigated and explained.

IT Environment and General Computer Controls

Management consistently monitors and evaluates its IT systems. It supplements its own capabilities by occasionally consulting with a local IT consultant for small entities who is on site periodically. Weekly back-ups are performed. Changes are reviewed by the consultant who does the actual implementation. Accounting software provides for multiple users with varying security access and rights so that access to certain data or functions can be limited to selected users based on passwords.

2023 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 the Land Bank's Governance Committee and 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, medium: The NYS FY2023 Executive Budget included $50 million to be available for all of the land banks in NY State. The risk has been addressed by seeking grant funding and supporting efforts toward legislation that would fund Land Banks with another $50 million in the 2025 state budget. The land bank is engaging with local partners to seek Community Development Block Grant funds and other grants that would support the land bank's development efforts.

Administrative Costs- current risk, Medium: The land bank specific funding in the NYS budget has helped lower the risk from high to medium; 15% of the grants the land bank expects to receive in 2024 can be used for administration.

Board Membership- current risk, medium: The fiscal year 2023 ended with one vacant seat on the land bank board.

Available Rehab Properties- current risk, high: The Land Bank's work plan and objectives have been 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. ACLBC 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 is advocating for higher quality properties from the tax sale process as well as seeking out problem properties from auctions or real estate market

SCHEDULE OF BONDS

The Allegany County Land Bank Corporation has not issued any bonds in 2023 and therefore there is no schedule of any outstanding bonds or notes.

COMPENSATION SCHEDULE

The Allegany County Land Bank Corporation had zero employees in 2023.

ANNUAL INVESTMENT REPORT

The Allegany County Land Bank Corporation has no investments to report in 2023.

DEBT REPORT

The Allegany County Land Bank Corporation has no debt to report in 2023.

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 2023:

The Allegany County Land Bank had the following procurement transactions open during Fiscal Year 2023 with an actual or estimated value of $5,000:

Bysiek CPA, PLLC	$5,000.00
Fourth Sector Services, LLC	$60,883.74
McCloskey Services	$997.50
Northeastern Environmental Management	$10,450.00
Sturm Inspection Services, Inc	$1,500.00

REAL PROPERTY REPORT

LOCATION	STREET	TAX ID #	OWNERSHIP DATE	PURCHASED COST	LOT SIZE	LOCAL ASSESED VALUE	ACTION	DISPOSITION
Almond	26 Main St.	126.7-2-11	12/14/2022	$750.00	0.25	$10,000.00	Rehab	For Sale
Andover	15 Second St.	216.14-2-87	5/31/2023	$2,400.00	0.17	$39,000.00	Rehab	Stabilization/Pre-development
Bolivar	211 Main	260.13-1-29	5/31/2023	$3,350.00	0.13	$53,400.00	Sell	Pre-development/Sell "as-is"
	73 Olive	260.17-4-32	5/31/2023	$3,800.00	0.23	$49,500.00	TBD	
	69 Olive	260.17-4.33.2	5/31/2023	$100.00	0.07	$900.00	TBD	
	Olive St. (lot)	260.17-4.33.1	5/31/2023	$50.00	0.02	$200.00	TBD	
Cuba	10 Spring St.	179.7-3-4	5/31/2023	$2,600.00	0.12	$60,000.00	Demo	Demo/Sell Lot
Freindship	7283 Co Rd 20	182.14-1-10.1	5/31/2023	$2,650.00	0.56	$44,000.00	Demo	Demo/Sell Lot
Independence	898 CR 19	295.5-1-32.22	12/14/2022	$2,300.00	0.25	$9,800.00	Sell	SOLD 10/12/23
Wellsville	172 E State	239.9-2-22	8/22/2019	$1,950.00	0.69	$29,000.00	Demo	Lot For Sale
	178 E State	239.9-2-23	8/22/2019	$1,850.00	0.72	$29,000.00	Demo	Lot for Sale
	79 Clark	238.16-2-44	10/2/2017	$150.00	0.68	$198,400.00	Sell	SOLD- 12/07/23
	King (off)	238.16-2-78	10/2/2017	$150.00	0.77	$7,800.00	"	Combined with 79 Clark
	31 Grover St.	238.8-2-19	12/14/2022	$4,200.00	0.2	$61,000.00	Rehab	Stabilization/Pre-development
	62 OConnor St	225.20-1-96	12/14/2022	$2,700.00	0.28	$40,000.00	Rehab	Stabilization/Pre-development
	2561 Stannards Rd.	239.18-1-16	12/14/2022	$2,100.00	0.26	$40,000.00	Demo	Demo/Sell Lot
	32 Chestnut	238.8-2-55	5/31/2023	$1,950.00	0.17	$28,000.00	TBD	

2024 ADOPTED BUDGET

2024 Organizational Budget

[Adopted 8-16-2023]

Revenue	2023 [Estimated]	2024 [Adopted]
Income from property sales	140,000.00	
County Contributions	-	
Enterprise CRI 4		
HCR LBI 1 (admin)	98,679.00	98,679.00
HCR LBI 2	78,500.00	295,300.00
Cash on Hand		140,000.00
	-	-
	317,179.00	**533,979.00**
Expenditures		
Contracts		
Legal	-	4,000.00
Audit	5,500.00	5,500.00
Accounting	5,007.00	8,007.00
Administration/ Consultant	66,002.00	72,002.00
Insurance	3,000.00	15,725.00
	79,509.00	**105,234.00**
Non-Operation		
Computer	-	4,000.00
Mapping Software	15,000.00	11,000.00
Rent	-	-
Program/office Supplies	200.00	-
Dues/Subscriptions	1,500.00	1,500.00
User Fees/ Misc Fees	-	-
Conference/Training	600.00	3,000.00
		19,500.00
Operational Expenditures		
Demolition	53,000.00	46,000.00
Rehab	-	-
New Construction	-	-
Acquisition	17,000.00	20,000.00
Carrying Costs	15,993.00	13,670.00
Program Costs/Marketing	500.00	2,500.00
Survey/Title Work	5,000.00	-
Pre-development	35,500.00	35,000.00
Stabilization	-	195,575.00
	126,993.00	**312,745.00**
TOTAL EXPENSES	**206,502.00**	**437,479.00**