



# Annual Report

## Fiscal Year 2020-2021

### **Rochester Land Bank Corporation**

30 Church Street, Room 125-B  
Rochester, NY 14614 (585) 428-7320  
[www.cityofrochester.gov/landbank](http://www.cityofrochester.gov/landbank)  
Paul Scuderi, Executive Director

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## **Board of Directors**

- Dana Miller, Board Chair
- Carol Wheeler, Board Vice-Chair
- LaShay Harris, Board Secretary – Board Term Began September 2020
- Kim Jones, Board Treasurer
- Condenessa Brown– Board Term Began December 2020
- Kurt Martin
- Jacklyn Ortiz – Board Term Ended August 2020
- Robert J. Scanlon, II – Board Term Ended November 2020
- Mayoral Appointee – Position Unfilled

## **Corporation Executive Staff**

- Executive Director – Paul J. Scuderi
- Legal Counsel – Patrick Beath
- Corporation Auditor – Freed Maxick CPAs, PC

## **2020-2021 Board Committees & Membership**

### **Acquisition Committee**

- Dana Miller, Chair
- Carol Wheeler, Vice-Chair
- LaShay Harris, Board Secretary
- Kurt Martin

### **Audit**

- Kurt Martin, Chair
- Kim Jones
- Condenessa Brown

### **Finance**

- Inactive – The Land Bank does not issue debt.

### **Governance**

- Dana Miller, Chair
- LaShay Harris, Board Secretary
- Condenessa Brown

## **Fiscal Year 2020-2021 Board Meeting Attendance**

### **July 16, 2020**

Board Members Present: Dana Miller, Jacklyn Ortiz, Kurt Martin, Carol Wheeler, Robert J. Scanlon, II, Kim Jones

Board Members Absent: None

### **August 25, 2020**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Robert J. Scanlon, II, Kurt Martin, Jacklyn Ortiz

Board Members Absent: None

### **September 17, 2020 – Annual Meeting**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Kurt Martin, LaShay Harris

Board Members Absent: Robert J. Scanlon, II

### **October 15, 2020**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Kurt Martin, Robert J. Scanlon, II, LaShay Harris

Board Members Absent: None

### **November 19, 2020**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Kurt Martin, Robert J. Scanlon, II, LaShay Harris

Board Members Absent: None

### **December 17, 2020**

Board Members Present: Carol Wheeler, Kim Jones, Kurt Martin, Condenssa Brown, LaShay Harris

Board Members Absent: Dana Miller

### **January 21, 2021**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Kurt Martin, Condenssa Brown, LaShay Harris

Board Members Absent: None

### **February 18, 2021**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Kurt Martin, Condenssa Brown, LaShay Harris

Board Members Absent: None

### **March 18, 2021**

Board Members Present: Dana Miller, Carol Wheeler, Kim Jones, Kurt Martin, Condenssa Brown, LaShay Harris

Board Members Absent: None

**April 15, 2021**

Board Members Present: Dana Miller, Kim Jones, Kurt Martin, Condenessa Brown, LaShay Harris

Board Members Absent: Carol Wheeler

**May 20, 2021**

Board Members Present: Carol Wheeler, Kim Jones, Kurt Martin, Condenessa Brown

Board Members Absent: Dana Miller and LaShay Harris

**June 17, 2021**

Board Members Present: Carol Wheeler, Kim Jones, Kurt Martin, Condenessa Brown

Board Members Absent: Dana Miller and LaShay Harris

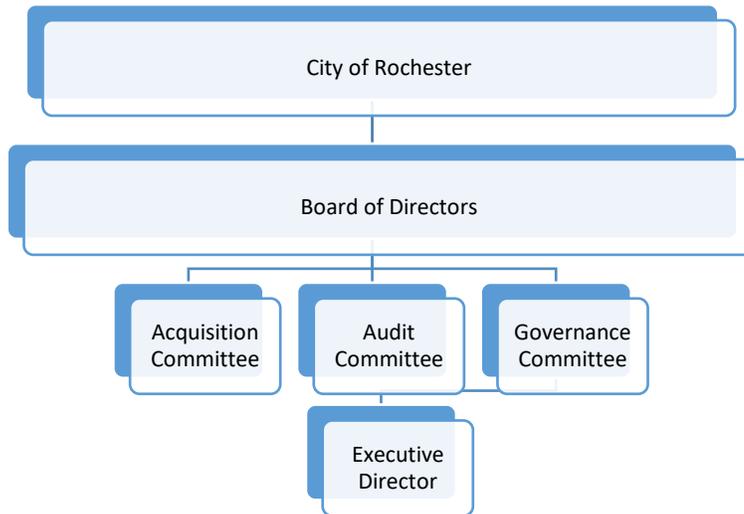
## Compensation Schedule

There were no managerial employees employed by the Corporation who were compensated in excess of one-hundred thousand dollars (\$100,000.00) in fiscal year 2020-2021.

## Board Members' Evaluation Summary

Appendix A

## Corporation Organizational Chart



## Reporting to the City of Rochester

The Rochester Land Bank Corporation was created by the City under the New York State Land Bank Act, and makes its required annual report, as required by that law, to the Rochester City Council. All directors of the Corporation are ex

officio members who are officers or appointees of the City of Rochester, or direct appointments to the board by the Mayor and the President of City Council. A Shared Services Agreement whereby the City of Rochester provides essentially all of the operating support necessary to the Land Bank, including legal and financial services, property maintenance activities, office space and equipment, and all management and staff, is currently in place for a term of five years with a five- year renewal option. Grant funding awarded to the Land Bank has allowed for partial reimbursement to the City for staffing costs, so the hours City staff devote to Land Bank activities are reported. The Land Bank is a component unit of the City of Rochester.

## **Mission Statement and Measurement Report**

The Rochester Land Bank Corporation will return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities.

Adopted: October 17, 2013; Reapproved: September 21, 2021

See Appendix B for Measurement Report

## **Corporate Purpose**

“The purpose of the Corporation shall be to acquire and dispose of real property in the City of Rochester that is tax delinquent, tax foreclosed, vacant, or abandoned pursuant to the powers granted to land banks under Article 16 of the Not-for-Profit Corporation Law, and to return vacant, abandoned, or underutilized property to productive use, or to hold such property for strategic uses to promote neighborhood and community revitalization, and to eliminate the harms and liabilities caused by such vacant, abandoned or underutilized property. Provided, further, however, that the Corporation shall have the authority to enter into agreements to purchase other real property consistent with an approved development plan.”

*- Rochester Land Bank Corporation Certificate of Incorporation, August 9, 2013.*

## **Legislation that Forms the Statutory Basis of the Corporation**

### **Section 1600 of the NY Not-for-profit Corporation Law (known as the “Land Bank Act”)**

Appendix C

### **City of Rochester Ordinance No. 2012-416**

Appendix D

## **Bylaws**

Appendix E

## **Code of Ethics**

Appendix F

## **Units or Subsidiaries of the Corporation**

The Corporation had no units or subsidiaries in fiscal year 2020-2021.

## Operations Summary

There are seven (7) members of the Board of Directors, five (5) ex officio members, and two (2) members appointed to serve a three year term.

Ex Officio Members, officers and appointees of the City of Rochester:

- City Treasurer
- Director of Development Services
- Manager of Housing
- Director of Buildings and Zoning
- Chief of Staff, City Council

Appointed Members to serve a three-year term:

- Appointee of the Mayor of the City of Rochester
- Appointee of the Council President of the City Council of the City of Rochester

The Executive Director of the Corporation is the Director of Real Estate of the City of Rochester. The Corporation Counsel of the City of Rochester serves as Counsel to the Corporation and has assigned a municipal attorney to advise and represent the Corporation. The City of Rochester provides staff support as an in-kind contribution and grant funding awarded to the Land Bank by Enterprise Community Partners reimbursed the City for a portion of the salary of a Senior Real Estate Specialist, a Legal Assistant, and the Executive Director. The Land Bank engaged an independent auditor in August 2021. The cost for the auditor services will be paid by the City of Rochester under the Shared Services Agreement. The audited financial statements for fiscal year 2020-2021 will be available on the Corporation's website at [https://www.cityofrochester.gov/Land\\_Bank\\_Reports/](https://www.cityofrochester.gov/Land_Bank_Reports/)

There were twelve regular public meetings of the Board of Directors of the Corporation in fiscal year 2020-2021.

## 2020-2021 Accomplishments

### Community Revitalization Initiative (CRI) Grant Program

The Land Bank continued to carry out neighborhood stabilization activities funded by the New York State Office of the Attorney General (OAG)'s Community Revitalization Initiative grant. Enterprise Community Partners, Inc. awarded the RLBC \$1,300,000 in 2019 for Round 4 of the Community Revitalization Initiative to be expended in the 2019-2020 calendar years on the below listed grant activities. In addition, the Land Bank was awarded additional funding from Enterprise Community Partners in February 2020 for CRI 4.2. This funding was to acquire an additional 11 structures, demolish an additional 5 structures, remediate environmental concerns for an additional 11 properties and subsidize rehabilitation of an additional 6 structures. The RLBC was awarded \$610,000 for said projects in Round 4 to be completed by June 30, 2021. Due to Covid 19, the agreement was extended to March 31, 2022. This supplemental grant was specifically to encourage Land Banks to focus their activities on addressing the historical and continuing racial inequities that exist in housing policies and practices and extends all of Round 4 funding through March 31, 2022. Two new initiatives involve contributing to the preservation of a property in the Susan B. Anthony Historic District and pilot program to assist new homebuyers who are buying property without taking out a mortgage with home inspection costs and attorneys' fees.

### **Acquisitions**

The CRI Round 4 award included funding to acquire (22) properties at the 2019 Tax Foreclosure Sale and the RLBC acquired (13) properties. With the additional allocated funding in February 2020, the RLBC was to acquire an additional

(11) properties at the 2020 Tax Foreclosure Sale. Due to Covid 19 the 2020 Tax Foreclosure Sale did not take place. During this fiscal year, the RLBC did not acquire any properties.

#### ***Home Ownership Pilot Program for Vacant Homes (HOAP)***

The CRI Round 4 award included subsidy for Flower City Habitat for Humanity, Inc. (Habitat) to rehabilitate up to an additional five (5) vacant properties to provide quality affordable housing to first time homeowners. Habitat was able to rehabilitate four (4) properties. One property was sold to an eligible purchaser in the 2020-2021 fiscal year. The remaining three (3) properties have been transferred to Habitat, and all were under construction in FY 2020-2021.

#### ***Home Rochester Program***

The CRI Round 4 award included subsidy for the Rochester Housing Development Fund Corporation (RHDFC) to rehabilitate up to ten (10) vacant properties to provide quality affordable housing to first time homeowners. With the additional funding awarded in February 2020, the RLBC allocated funding to an additional ten (10) vacant properties. Six (6) were sold to first-time homebuyers during the 2019-2020 fiscal year. Seven (7) were sold to first-time homebuyers during the 2020-2021 fiscal year. At the close of the 2020-2021 fiscal year there were three (3) properties for sale and four (4) under construction.

#### ***Strategic Blight Removal***

The CRI Round 4 award includes subsidy for strategic blight removal, which is slated to fund a portion of the demolition costs for ten (10) properties through its shared services agreement with the City of Rochester. Seven (7) properties were demolished in the 2019-2020 fiscal year. With the additional funding awarded in February 2020, the RLBC funded an additional five (5) properties for demolition. Ten (10) properties and three (3) garages were demolished in the 2020-2021 fiscal year. In total the RLBC assisted with the demolition of 17 properties and 3 garages.

#### ***Neighborhood Builders***

The CRI Round 4 award included subsidy for five (5) new built homes, which is slated to fund a portion of the costs. Five (5) new homes were built and sold to owner occupants in the 2020-2021 fiscal year.

#### ***Homebuyer Asset Protection Initiative***

RLBC has launched, Homebuyer Asset Protection Initiative (HAPI), a pilot program funded by CRI 4.2 to provide funding for home inspections and legal services for 12 potential homebuyers with household incomes of less than 100% AMI. Consumer Credit Counseling Service of Rochester (CCCS) is administering program. The RLBC has partnered with Consumer Credit Counseling Service, Ibero-American Action League, the Mayor's Office of Community Wealth Building, and Urban League of Rochester to expand HAPI pilot program.

#### ***Neighbors for Neighborhoods Grant Program***

In fiscal year 2019-2020, two of the three two-family properties included in the Neighbors for Neighborhoods (N4N) Program, a rehabilitation program funded through the NYS OAG's office, are fully occupied and the owners are collecting rental income. The N4N program provided the opportunity for potential buyers, who owned two or fewer properties and within a limited radius of the subject, the means to conduct a quality rehabilitation and invest as landlords in their own neighborhoods. The RLBC is in process to foreclose on the third two-family property included in the Neighbors for Neighborhoods program. Due to Covid 19 this process has been delayed.

## **L2P Westside Project (Urban League)**

The Rochester Land Bank accepted \$300,000 from Local Initiatives Support Corporation (LISC). The RLBC partnered with the Urban League of Rochester, Inc. which is the sponsor of a low income housing project known as the L2PP Westside Project. This project consists of 41 newly built residential units on scattered sites located in the City of Rochester. It is to provide low-income rental housing that may, after the 15-year compliance period required as by Federal and State Tax Credits be sold to qualified tenants.

## **Administrative Activities**

At the annual meeting on September 21, 2021, the following reports were presented to, and approved by the Board:

Annual Report and constituent reports contained within it:

- Investment Report
- Procurement Report
- Mission Statement & Performance Measures Report
- Operations & Accomplishments Report
- Board Member Self-Evaluation Report
- Obtained Audited Financial Statements from FreedMaxick CPAs, P.C.

On February 25, 2021, the Corporation's Board Chair made the Land Bank's annual report to the municipality.

## **Assessment of the Effectiveness of Internal Control Structure and Procedures**

This statement certifies that management has documented and assessed the internal control structure and procedures of the Rochester Land Bank Corporation for the fiscal year ending June 30, 2021. This assessment found the corporation's internal controls to be adequate, and to the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

## Fiscal Year 2020-2021 Financial Report

The Public Authority Accountability Act of 2005 (PAAA) as amended in 2009 is designed to ensure greater efficiency and accountability for New York's public authorities, including Industrial Development Agencies. Among the requirements of the PAAA is the preparation of an annual report that is to contain specified information. This section of the Agency Annual report summarized the financial information required by the PAAA.

### Audited Financials

#### Revenue & Expense Summary

OPERATING REVENUES	
NYS Grants	\$ 818,529
Sale of Real Estate	<u>162,910</u>
Total Revenues	\$ 981,439
OPERATING EXPENSES	
Acquisition Costs	\$ 8,000
Renovation and Construction	863,725
Salary & Benefits	72,324
Demolition	100,000
Professional Services	11,405
Other	<u>30,595</u>
Total Expenses	\$1,086,049
Change in Net Position	(104,610)
Net Position – Beginning of Year, as restated±	<u>\$1,178,568</u>
Net Position – End of Year	<u>\$1,073,958</u>

#### Assets and Liabilities Summary

ASSETS	
Cash and Cash Equivalents	\$1,314,373
Due from City of Rochester	<u>6,303</u>
Total Assets	\$1,320,676
LIABILITIES	
Accounts Payable	\$ 40,723
Due to the City of Rochester	<u>205,995</u>
Total Liabilities	\$ 246,718
Net Position Unrestricted	<u>\$ 1,073,958</u>

±There was a prior period adjustment that was discovered through RLBC internal controls and adjusted prior to the FY 2020-2021 audit. The FY 2019-2020 financial statements did not include a payable to the City of Rochester of \$36,629, relating to an acquisition of some property, as of June 30, 2018, resulting in the restatement noted.

## Financial Plan

### Appendix G

## **Bonds**

The Corporation has issued no bonds.

## **Grants and Subsidy Programs**

The Corporation has no grant or subsidy programs.

## **Operating and Financial Risks**

The Corporation currently has no operating or financial risks.

## **Long Term Liabilities**

The Corporation currently has no long term liabilities.

## **Real Property Schedule**

As noted on the Annual Real Property Report, Appendix H, the Corporation disposed of five (5) properties with a market value in excess of \$15,000 in the 2020-2021 fiscal year.

## **Description of Pending Litigation**

During the 2020-2021 fiscal year, the Corporation has initiated a mortgage foreclosure action to reclaim title to a property involved in a grant program that was secured by mortgage to compel fulfillment of grant obligations. We do not expect the action to be contested.

## **Description of the total amounts of assets, services, or both assets and services bought or sold without competitive bidding**

The Corporation did not purchase or sell any assets or services in fiscal year 2020-2021.

## **Procurement Report**

See Appendix I

## **Investment Report**

Appendix J

## Appendix A

### Board Members' Evaluation Summary - Results of Confidential Evaluation of Board Performance \*

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Rochester Land Bank Corp.	5			
The policies, practices and decisions of the Board are always consistent with this mission.	5			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	5			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Land Bank and reviews these annually.	5			
The Board sets clear and measurable performance goals for the Land Bank that contribute to accomplishing its mission.	4	1		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	5			
Individual Board members communicate effectively with Executive Director so as to be well informed on the status of all important issues.	5			
Board members are knowledgeable about the Land Bank's programs, financial statements, reporting requirements, and other transactions.	5			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4	1		
The Board knows the statutory obligations of the Land Bank and if it is in compliance with state law.	4	1		
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4	1		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	4	1		
The Board exercises appropriate oversight of the Executive Director and other staff, including setting performance expectations and reviewing performance annually.	4	1		
The Board has identified the areas of most risk to the Land Bank and works with Executive Director to implement risk mitigation strategies before problems occur.	5			
Board members demonstrate leadership and vision and work respectfully with each other.	4	1		

Name of Authority: Rochester Land Bank Corporation

Date Completed: September 21, 2021

**\*Note:** While there were six board members at the end of the fiscal year, the ex-officio position held by the City of Rochester Chief of Staff for City Council was vacated due to a staffing change that coincided with the end of the Land Bank fiscal year. Accordingly, only the evaluations of the five remaining board members who served during FY 2020-2021 are included here.

### Performance Measurement Report

FY 2020 – 2021

#### **The Rochester Land Bank Corporation will return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities.**

Mission Statement, Adopted October 17, 2013; Readopted September 21, 2021

➤ **Return underutilized property to productive use** Social distancing guidelines made both the City of Rochester's Tax Foreclosure auction and the traditional auctions through which the Rochester Land Bank disposes of its property inadvisable. However, the Rochester Land Bank Corporation sold eight vacant, tax-foreclosed properties via sealed-bid auction to pre-qualified purchasers with the requirement that they obtain a Certificate of Occupancy within one year. Additionally, 14 properties that were transferred as part of the Land Bank's Development Partner program obtained Certificates of Occupancy.

➤ **Preserve and create quality housing** Round 4 of the Community Revitalization Initiative (CRI) grant awarded to the Land Bank by the New York State Office of the Attorney General and Enterprise Community Partners, Inc., provided subsidy for the Greater Rochester Housing Partnership (GRHP) for the construction of five single family homes which were all completed and were sold to first-time homebuyers in FY 2020-2021.

During the previous fiscal year, the Land Bank was awarded additional funding for property rehabilitation and environmental remediation from Enterprise Community Partners for CRI 4.2. This additional funding allowed the Land Bank to continue to provide subsidy to Rochester Housing Development Fund Corporation and Flower City Habitat for Humanity to rehabilitate vacant properties for the Home Rochester program and the Home Ownership Assistance Program (HOAP), respectively. In fiscal year 2020-2021, the Land Bank contributed rehabilitation subsidy to eight properties that closed with first time homebuyers through these quality affordable housing programs.

➤ **Enhance the quality of life within neighborhoods** During the 2020-2021 fiscal year, the Land Bank funded a portion of the demolition of ten (10) vacant, blighted properties and three (3) structurally unsound garages in neighborhoods where redevelopment plans or strategies are underway.

➤ **Encourage economic opportunities** In FY 2020-2021, the Homebuyer Asset Protection Initiative (HAPI) pilot program provided home inspection and closing assistance to its first non-traditional homebuyer. In March an expanded version of the program led by RLBC partner Consumer Credit Counseling Service (CCCS) was funded through Enterprise Community Partners' Call for Ideas (CFI) grant. In addition to funds for home inspections and legal representation at closing, the expanded program provides service navigation, homeownership training, instrument survey maps, Spanish-language translation when necessary, and independent property appraisals for those participating in privately-financed transactions. The primary intent is to assist those who may be purchasing a home with private financing requiring very little money as down payment (which can result in very little equity for the purchaser and the risk of mortgage foreclosure without the protection of the Home Mortgage Disclosure Act (HMDA). HAPI gives these buyers access to the same methods and protocols that financial lenders use to protect their investments and avoid hidden costs or complications.

➤ **Build organizational capacity** In October 2020, the Land Bank board and the Executive Director went through the process of creating a staffing structure for the roles and responsibilities within the Land Bank – currently fulfilled by members of the City Division of Real Estate – by title and description. This change allowed the board to address areas such as measurable performance goals, knowledge of programs, finances and reporting requirements, and risk management. In addition, it provides some necessary clarity as the Land Bank seeks new sources of grant and governmental funding.

RLBC welcomed a new team member in the role of Administrative Coordinator increasing staff support from three positions to four. Our newest team member brings over two decades of experience as a Legal Assistant and specific expertise in mortgage and tax foreclosure procedures.

Land Bank staff participated in monthly conference calls with members of the NYLBA where valuable topics including lobbying and advocacy, capacity building, and land bank success stories are addressed, experience and expertise are shared, and collective action is organized.

Land Bank staff members benefited from the use of CRI grant funding to build upon their skillset and enhance their contribution to Land Bank initiatives through continuing education courses.

## Appendix C

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### Not-For-Profit Corporation – Article 16 Land Banks

Also known as the New York Land Bank Act (amended January 2019) is posted on Rochester Land Bank Corporation website and is available [here](#).



**City of Rochester**

**City Clerks Office**

**Certified Ordinance**

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**Rochester, N.Y., \_\_\_\_\_**

**TO WHOM IT MAY CONCERN:**

I hereby certify that the following is a true copy of an ordinance which was duly passed by the Council of the City of Rochester on **November 13, 2012** and **Approved** by the Mayor of the City of Rochester, and was deemed duly adopted on **November 14, 2012** in accordance with the applicable provisions of law.

Ordinance No. 2012-416

Approving The Formation Of The Rochester Land  
Bank Corporation

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Council hereby approves the formation of the Rochester Land Bank Corporation under Article 16 of the Not-For-Profit Corporation Law and approves the Certificate of Incorporation submitted by the Mayor. The Rochester Land Bank Corporation shall have all of the powers enumerated in said Article 16. The Council further authorizes the Mayor to submit an application to the Empire State Development Corporation for approval of the Rochester Land Bank Corporation. There shall be seven members of the Board of Directors, as follows:

Ex-officio members:

City Treasurer  
Director of Development Services  
Manager of Housing  
Director of Inspection & Compliance Services  
Chief of Staff, City Council

Charles Benincasa  
Bret Garwood  
Carol Wheeler  
Gary Kirkmire  
Andrea Guzzetta

Appointed members, to serve three-year terms:

Mayor's appointee  
Council President's appointee

George Parker, Esq.  
Dana Miller

The Executive Director of the Rochester Land Bank Corporation shall be the

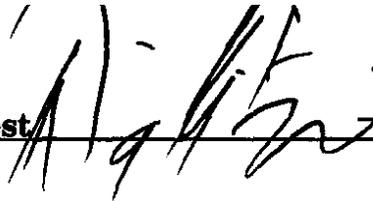
Director of Real Estate

Section 2. This ordinance shall take effect immediately.

Passed by the following vote:

Ayes- President Warren, Councilmembers Conklin, Haag, McFadden, Miller, Ortiz, Palumbo, Scott, Spaul - 9.

Nays- None-0.

**Attest**  \_\_\_\_\_  
City Clerk

## Appendix E

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BY-LAWS of the ROCHESTER LAND BANK CORPORATION are published on its website and are available [here](#).

## Appendix F

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Code of Ethics/Conflict of Interest Policy of the ROCHESTER LAND BANK CORPORATION is published on its website and is available [here](#).

# Appendix G

## Financial Plan

							
Budget Report for Rochester Land Bank Corporation				Run Date: 04/29/2020			
Fiscal Year Ending: 06/30/2021				Status: CERTIFIED			
				Certified Date: 04/29/2020			
<u>Budget &amp; Financial Plan</u>		<u>Budgeted Revenues, Expenditures, And Changes In Current Net Assets.</u>					
		Last Year (Actual) 2019	Current Year (Estimated) 2020	Next Year (Adopted) 2021	Proposed 2022	Proposed 2023	Proposed 2024
<b>REVENUE &amp; FINANCIAL SOURCES</b>							
<b>Operating Revenues</b>							
	Charges For Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Rentals & Financing Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Operating Revenues	\$1,078,291.00	\$237,662.00	\$165,000.00	\$50,000.00	\$25,000.00	\$25,000.00
<b>Non-Operating Revenues</b>							
	Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	State Subsidies / Grants	\$853,086.00	\$589,541.00	\$1,180,052.00	\$500,000.00	\$500,000.00	\$500,000.00
	Federal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Municipal Subsidies / Grants	\$225,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Non-Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Revenues &amp; Financing Sources</b>		<b>\$2,156,377.00</b>	<b>\$827,203.00</b>	<b>\$1,345,052.00</b>	<b>\$550,000.00</b>	<b>\$525,000.00</b>	<b>\$525,000.00</b>
<b>EXPENDITURES</b>							
<b>Operating Expenditures</b>							
	Salaries And Wages	\$178,774.00	\$100,050.00	\$91,837.00	\$0.00	\$0.00	\$0.00
	Other Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Professional Services Contracts	\$13,047.00	\$3,500.00	\$300.00	\$300.00	\$300.00	\$300.00
	Supplies And Materials	\$1,185.00	\$250.00	\$300.00	\$300.00	\$300.00	\$300.00
	Other Operating Expenditures	\$1,245,820.00	\$501,048.00	\$1,043,926.00	\$0.00	\$0.00	\$0.00
<b>Non-Operating Expenditures</b>							
	Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Non-Operating Expenditures	\$0.00	\$7,350.00	\$43,689.00	\$4,000.00	\$4,000.00	\$4,000.00
<b>Total Expenditures</b>		<b>\$1,438,826.00</b>	<b>\$612,198.00</b>	<b>\$1,180,052.00</b>	<b>\$4,600.00</b>	<b>\$4,600.00</b>	<b>\$4,600.00</b>
Capital Contributions		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Excess (Deficiency) Of Revenue And Capital Contributions Over Expenditures</b>		<b>\$717,551.00</b>	<b>\$215,005.00</b>	<b>\$165,000.00</b>	<b>\$545,400.00</b>	<b>\$520,400.00</b>	<b>\$520,400.00</b>

Budget Report for Rochester Land Bank Corporation  
Fiscal Year Ending: 06/30/2021

Run Date: 04/29/2020  
Status: CERTIFIED  
Certified Date: 04/29/2020

The authority's budget, as presented to the Board of Directors, is posted on the following website: <https://www.cityofrochester.gov/landbank/>

Additional Comments

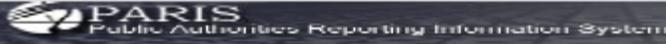
## Appendix H

### Real Property Report - Acquisition/Disposal Fiscal Year Ending June 30, 2021

#	<u>Date Acquired</u>	<u>Property Address</u>	<u>Zip Code</u>	<u>Property Description</u>	<u>Purchase Price</u>	<u>Fair Market Value</u>	<u>Disposal Date</u>	<u>Sale Price</u>	<u>Competitively Bid?</u>
1	2/5/2020	165 Anthony St	14619	Residential	\$12,361.33	\$65,000.00	9/9/2020	\$12,361.33	N*
2	2/5/2020	448 Cottage St	14611	Residential	\$5,629.45	\$10,000.00	10/28/2020	\$10,000.00	Y
3	2/5/2020	73-75 Danforth St	14611	Residential	\$8,073.12	\$20,000.00	1/8/2021	\$10,000.00	Y
4	2/5/2020	205 Gardiner Ave	14611	Residential	\$6,730.85	\$10,000.00	2/18/2021	\$12,000.00	Y
5	2/5/2020	24 Lancraft St	14621	Residential	\$6,535.94	\$20,000.00	12/29/2020	\$45,000.00	Y
6	2/5/2020	38 Lisbon St	14606	Residential	\$6,076.02	\$7,000.00	10/28/2020	\$6,000.00	Y
7	2/5/2020	195 Michigan St	14606	Residential	\$6,973.80	\$15,000.00	10/28/2020	\$35,600.00	Y
8	2/5/2020	21 Morgan St	14611	Vacant Land	\$12,350.62	\$800.00	4/19/2021	\$800.00	Y
9	2/5/2020	42 Rohr St	14605	Residential	\$9,143.42	\$8,500.00	11/9/2020	\$6,000.00	Y
10	2/5/2020	22 Shelter St	14611	Residential	\$8,226.61	\$20,000.00	8/3/2020	\$9,000.00	Y
11	2/5/2020	90 Stratford Pk	14611	Residential	\$5,581.54	\$20,000.00	8/3/2020	\$5,581.54	N*
12	2/5/2020	166 Wakefield St	14621	Residential	\$27,041.64	\$13,000.00	8/3/2020	\$27,041.64	N*

\*In 2019, the Land Bank Board approved a new type of development program that allowed pre-qualified all partners to request that the Land Bank acquire certain properties at the City's tax foreclosure auction for transfer at cost to partners based on their preference and staff ranking of their qualifications.

Procurement Report FY 2020-2021

	
Procurement Report for Rochester Land Bank Corporation Fiscal Year Ending: 06/30/2021	Run Date: 09/21/2021 Status: UNSUBMITTED Certified Date : N/A

**Procurement Information:**

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	<a href="https://www.cityofrochester.gov/Land_Bank_Policies/">https://www.cityofrochester.gov/Land_Bank_Policies/</a>
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	Yes	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-(9) of the State Finance Law?	Yes	

Procurement Report for Rochester Land Bank Corporation  
 Fiscal Year Ending: 06/30/2021

Run Date: 09/21/2021  
 Status: UNSUBMITTED  
 Certified Date : N/A

**Procurement Transactions Listing:**

1. Vendor Name	Atlantic Property Management, Inc.	Address Line1	2138 E Main St
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ROCHESTER
Award Date	11/1/2020	State	NY
End Date	11/1/2021	Postal Code	14609
Fair Market Value	\$5,000.00	Plus 4	
Amount	\$5,000.00	Province/Region	
Amount Expended For Fiscal Year	\$1,288.35	Country	United States
Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Professional Services Agreement to provide property management services for Land Bank owned properties.

**Additional Comments**

Investment Report FY 2020-2021

	
Investment Report for Rochester Land Bank Corporation Fiscal Year Ending: 06/30/2021	Run Date : 09/21/2021 Status: UNSUBMITTED Certified Date: N/A

**Investment Information**

Question	Response	URL (If Applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925 (8) of PAL?	Yes	<a href="https://www.cityofrochester.gov/Land_Bank_Reports/">https://www.cityofrochester.gov/Land_Bank_Reports/</a>
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	Yes	<a href="https://www.cityofrochester.gov/Land_Bank_Reports/">https://www.cityofrochester.gov/Land_Bank_Reports/</a>
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	Yes	<a href="https://www.cityofrochester.gov/Land_Bank_Reports/">https://www.cityofrochester.gov/Land_Bank_Reports/</a>

**Additional Comments**

## INVESTMENT GUIDELINES OF THE ROCHESTER LAND BANK CORPORATION

Pursuant to the Banking Resolution of the Rochester Land Bank Corporation, adopted December 19, 2013, the Corporation intends that the depository funds of the Corporation shall be held in accounts opened by and maintained by the Finance Director and the Treasurer of the City of Rochester.

- I. *Permitted Investments* – Pursuant to Section 512 of the Not-For-Profit Corporation Law (“NPCL”), the Corporation may invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following investments:
  - A. Special time deposit accounts;\*
  - B. Certificates of deposit;\*
  - C. Obligations of the United States of America;\*\*
  - D. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;\*\*
  - E. Obligations of the State of New York;\*

Schedule of Eligible Securities is included as Exhibit A of this report.

\* Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the monies were obtained, and (2) they are collateralized as set forth in Section C below for deposits of public funds.

\*\* All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years.

### II. Security Procedures and Provisions

A. *Collateralization of Deposits* – All deposits of the Corporation, including certificates of deposit and special time deposits, over the amount insured under the Federal Deposit Insurance Act shall be secured:

1. By pledge of “eligible securities” with an aggregate “market value” as provided by the NPCL, equal to the aggregate deposits from the categories designated in Exhibit A attached hereto.
2. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed 90 days with an

aggregate value equal to 140% of the aggregate deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations

3. Are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank in compliance with applicable federal minimum risk-based capital requirements.
4. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate deposits and the agreed upon interest executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the governing board.

B. *Safekeeping and Collateralization* – Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure the Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. If the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

### III. Written Contracts

The Corporation shall enter into written contracts pursuant to which investments are made, unless the Corporation shall by resolution determine that a written contract is not practical or that there is not a regular business practice of written contracts with respect to a specific investment or transaction, in which case the corporation shall adopt procedures covering such investment or transaction. Such contracts and procedures shall include provisions:

- A. Deemed necessary and sufficient to secure in a satisfactory manner the corporation's financial interest in each investment;
- B. Covering the use, type and amount of collateral or insurance for each investment;
- C. Establishing a method for valuation of collateral, and procedures for monitoring the valuation of such collateral on a regular basis;
- D. For the monitoring, control, deposit and retention of investments and collateral which shall include, in the case of a repurchase agreement, a requirement that the obligations purchased be physically delivered for retention to the corporation or its agent (which shall not be an agent of the party with whom the corporation enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the corporation shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.

IV. Diversification

It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling. The following are designated as depositories of the City's money, and the City Treasurer may deposit moneys received by the City in such depositories up to the specified maximum amounts:

<b>Depository Name</b>	<b>Maximum Amount</b>
JP Morgan Chase Bank, N.A.	\$250,000,000
Bank of America	\$175,000,000
Manufacturers & Traders Trust Company	\$150,000,000
Key Bank	\$150,000,000
Citizens Bank	\$150,000,000
First Niagara Bank	\$150,000,000
Five Star Bank	\$30,000,000
Upstate National Bank	\$3,750,000

V. Qualifications of Investment Agents and Advisors

- A. *Authorized Financial Institutions and Dealers* – The Corporation shall maintain a list of financial institutions and dealers, approved for investment and establish appropriate limits to the investments which can be made with each financial institution or dealer. All financial institutions with which the Corporation conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of

Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Executive Director or Treasurer shall evaluate the financial position and maintain a list of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

- B. Pursuant to Section 8-3 of the Code of the City of Rochester, it is hereby declared to be impracticable to obtain by competitive contract the services of a financial and transfer agent for

the City of Rochester in the City of New York, and the Purchasing Agent is hereby authorized to obtain without competitive bidding the services of the Manufacturer's Hanover Trust Company of New York, heretofore designated as transfer agent by the Council, to render services as the City's financial and transfer agent at a cost not to exceed \$6,500 a year.

VI. Reporting and Audit.

- A. The corporation shall make provisions for an annual independent audit of all investments, the results of which shall be available to the board at the time the annual review and approval of investment guidelines is conducted by the corporation.
  
- B. The corporation shall annually prepare and approve an investment report which shall include the investment guidelines, as specified in subdivision three of Section 2925 of the Public Authorities Law; amendments to such guidelines since the last investment report; an explanation of the investment guidelines and amendments; the results of the annual independent audit; the investment income record of the corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the corporation since the last investment report. Such investment report may be a part of any other annual report that the corporation is required to make.

Rochester Land Bank Corporation made no investments during the 2020-2021 fiscal year.

The Fiscal Year 2020-2021 Audit Report of the Rochester Land Bank Corporation, prepared by Freed Maxick CPAs, P.C. and approved by the Board of Directors on September 21, 2021, is included as Exhibit B of this document.

## Exhibit A

### SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- (10) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (11) Zero Coupon obligations of the United States government marketed as "Treasury strips".

Exhibit B  
Audited Basic Financial Statements

**AUDITED  
BASIC FINANCIAL STATEMENTS**

**ROCHESTER LAND BANK CORPORATION**

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**JUNE 30, 2021**

**ROCHESTER LAND BANK CORPORATION**  
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## **FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors of the  
Rochester Land Bank Corporation  
Rochester, New York

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

We have audited the accompanying financial statements of the Rochester Land Bank Corporation, (the Corporation), a component unit of the City of Rochester, New York, as of and for the years ended June 30, 2021 and 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 Corporation'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 Corporation'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 June 30, 2021 and 2020, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 4 to the financial statements, the 2020 financial statements have been restated or correct a misstatement. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 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 September 20, 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.

*Fred Maxick CPAs, P.C.*

Rochester, New York  
September 20, 2021

As management of the Rochester Land Bank Corporation, we offer readers of the Rochester Land Bank Corporation's financial statements this narrative overview and analysis of the financial activities of the Rochester Land Bank Corporation for the fiscal year ended June 30, 2021.

### Financial Highlights

+ The assets of the Rochester Land Bank Corporation exceeded its liabilities at the close of the most recent fiscal year by \$1,073,958 (*net position*). Of this amount, \$1,073,958 (*unrestricted net position*) may be used to meet the Rochester Land Bank Corporation's ongoing EDA grant obligations.

+ The Rochester Land Bank Corporation's total assets are comprised primarily of grant proceeds received from the Community Revitalization Initiative ("CRI") grant program offered through the New York State Office of the Attorney General. The New York State Office of the Attorney General awarded the Rochester Land Bank Corporation four grants. The first grant in the amount of \$2,780,942 had a term of 24 months commencing January 1, 2014 through December 31, 2015. The second grant in the amount of \$1,864,820 had a term of 24 months commencing January 1, 2015 through December 31, 2016. The third grant in the amount of \$1,500,000 had a term of 24 months commencing January 1, 2017 through December 31, 2018. The fourth grant in the amount of \$1,300,000 had a term of 24 months commencing January 1, 2019 through December 31, 2020. The term of the fourth grant has been modified to increase the amount by \$610,000 and extend the term through March 31, 2022. The Rochester Land Bank Corporation utilizes the grant funding to supplement the City's investments in transforming vacant properties into affordable owner-occupied housing, develop new infill housing for homeownership in strategic project areas, demolish blighted structures, and fund certain staffing positions. The Rochester Land Bank Corporation has executed agreements with the Rochester Housing Development Fund Corporation (RHDFC), the Greater Rochester Housing Partnership (GRHP), the Urban League of Rochester, Consumer Credit Counseling Service of Rochester (CCCS), and the City of Rochester in the form of a Share Services agreement to implement partnerships to fulfill the "CRI" grant initiatives, and various other partners.

The Land Bank was also awarded a \$300,000 grant in 2018 by Local Initiatives Support Corporation (LISC) that was fully expended during the fiscal year. Additionally, the Rochester Land Bank Corporation was awarded a \$450,000 grant administered by Enterprise Community Partners, Inc. for the Neighbors for Neighborhoods Program (a/k/a N4N Project). The N4N Project allows properties acquired by the Rochester Land Bank Corporation to be transferred to qualified landlords for the purpose of rehabilitation for subsequent household rental.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Rochester Land Bank Corporation's basic financial statements. The Rochester Land Bank Corporation's basic financial statements comprise two components: 1) corporation-wide financial statements and 2) notes to the financial statements.

**Corporation-wide financial statements.** The *corporation-wide financial statements* are designed to provide readers with a broad overview of the Rochester Land Bank Corporation's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Rochester Land Bank Corporation's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Rochester Land Bank Corporation is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the Corporation's net assets changed during the most recent fiscal year. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The corporation-wide financial statements can be found on pages immediately following this section.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the corporation-wide financial statements. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

**Corporation-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the Rochester Land Bank Corporation, assets exceed liabilities by \$1,073,958 at the close of the most recent fiscal year. The Rochester Land Bank Corporation’s net position consists primarily of grant proceeds.

**Rochester Land Bank Corporation’s Net Position**

	<u>2021</u>	<u>2020</u>
Assets	<u>\$1,320,676</u>	<u>\$ 1,245,854</u>
Liabilities	<u>246,718</u>	<u>67,286</u>
Net position	<u>\$1,073,958</u>	<u>\$ 1,178,568</u>

	<u>2021</u>	<u>2020</u>
Operating Revenues	\$ 981,439	\$ 980,911
Operating Expenses	<u>1,086,049</u>	<u>1,187,486</u>
Change in net position	(104,610)	(206,575)
Net position – beginning of year	<u>1,178,568</u>	<u>1,385,143</u>
Net position – end of year	<u>\$1,073,958</u>	<u>\$ 1,178,568</u>

**Financial Analysis of the Corporation’s Funds**

**Unrestricted Funds.** The unrestricted funds consists primarily of the grant proceeds from the Community Revitalization Initiative (“CRI”) grant proceeds offered through the New York State Office of the Attorney General, and the Neighbors for Neighborhoods grant (N4N Project) administered through Enterprise Community Partners, Inc.

**Economic Factors**

Non-farm employment in New York State increased by 8.3% from June 2020 to June 2021. New York State gained 670,600 private sector jobs (9.8%) from June 2020 to June 2021. Private sector jobs in the Rochester metropolitan area increased over the year by (34,400), or (8.6%), to 433,600 in June 2021. Gains were concentrated in leisure and hospitality (12,700), accommodation and food services (9,300), and food services and drinking places (8,100). Small losses were concentrated in educational services (-900), and state government (-600). In New York State leisure and hospitality increased by (46.5%) adding (229,100) jobs, representing the most jobs added of any major industry sector over the last year. Sector job gains were also seen in trade, transportation, and utilities (11.1%) adding (140,800), education and health services (6.2%) adding (116,900), and health care and social assistance (6.8%) adding (101,400). Losses were concentrated in nursing and residential care facilities (4.2%) losing (-9,500), and state government (4.1%) losing (-10,200). All sectors were driven by impacts of the COVID-19 pandemic.

As of June 2021, the primary labor force segment of the Rochester Metropolitan area's civilian labor force continued to be education and health services (23.4%), followed by trade, transportation, and utilities (16.1%), government (14.9%), professional and business services (12.5%). Manufacturing constituted (11.3%), while leisure and hospitality constituted (8.1%).

The unemployment rate for the Rochester metro area was 5.3% as of June 2021 (decrease from 11.2% as of June 2020). This compares to the unemployment rate for New York State of 7.7% as of June 2021 (decrease from 15.0% as of June 2020), and for the nation of 6.1% as of June 2021 (decrease from 11.2% as of June 2020).

We are aware however, that in certain parts of the City of Rochester the unemployment rate for some populations may be as high as 40%. Although the overall poverty rate for the city improved slightly from 32.6% to 31.3%, which ranks us 5<sup>th</sup> among the top ten poorest U.S. metropolitan areas, and 1st poorest in the US for cities of our size. In the nine-county Rochester region (1,205,941 population, 157,030 in poverty), 41% of the people in poverty live in the City of Rochester.

The top five largest employers in the Rochester area are University of Rochester, Rochester Regional Health System, Wegmans Food Markets, Inc., Paychex Inc., and Rochester Institute of Technology. UR/SMC continues to be the largest employer, as the Rochester region economy continues to transition from an economy which was heavily based on manufacturing decades ago to one with a greater emphasis on education, health services, and professional/business services. The University of Rochester was responsible for 31,637 jobs. A significant share of the University's growth has occurred at the University of Rochester Medical Center as Strong Health extends clinical service penetration beyond the metropolitan area and URMC expands its research facilities and total employment.

The World Health Organization (WHO) first declared COVID-19 a world health emergency in January 2020. On March 11, 2020 the WHO announced that the viral outbreak was officially a pandemic, the highest level of health emergency. Since then, the emergency has evolved into a global public health and economic crisis that has affected the global economy beyond anything experienced in nearly a century. Governments are attempting to balance often-competing policy objectives between addressing the public health crisis and economic considerations. The COVID-19 pandemic is not expected to have a structural impact on the Rochester Land Bank Corporation.

In its June 16, 2021 policy statement and subsequent press conference, the U.S. Federal Open Market Committee (FOMC) indicated that progress on vaccinations has reduced the spread of COVID-19 cases in the United States. Amid this progress indicators of economic activity and employment have strengthened. The sectors most adversely affected by the pandemic have shown improvement. Policy measures are in place to support the economy and the flow of credit to U.S. households and businesses. The virus and the economy remain closely tied.

The FOMC continues to utilize monetary policy to address the immediate impact of the health crisis in an effort to assist households and businesses. The prime rate of interest remains unchanged from a year ago, at 3.25%. The Federal Open Markets Committee (FOMC) target range for the federal funds rate continues at 0%-0.25%. Long term rates are expected to remain in the 1.0% range, given how uncertain the progress of the economy's recovery will be, as the current surge in COVID-19 infections caused by the Delta variant continue concerns about the effect on the economy.

## **Requests for Information**

This financial report is designed to provide a general overview of the Rochester Land Bank Corporation's finances for all those with an interest in the corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Rochester Land Bank Corporation, City Hall – Room 125B, 30 Church Street, Rochester, NY 14614.

**ROCHESTER LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF CITY OF ROCHESTER)**  
**STATEMENTS OF NET POSITION**  
**For the Years Ended June 30,**

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<b>ASSETS</b>	<b>2021</b>	Restated 2020
<b>Current assets:</b>		
Cash	\$ 1,314,373	\$ 1,087,600
Due from City of Rochester	<u>6,303</u>	158,254
Total assets	<u>1,320,676</u>	1,245,854

**LIABILITIES AND NET POSITION**

<b>Current liabilities:</b>		
Accounts payable	40,723	1,481
Due to City of Rochester	<u>205,995</u>	<u>65,805</u>
	<u>246,718</u>	<u>67,286</u>
 <b>Net position:</b>		
Unrestricted	\$ <u>1,073,958</u>	\$ <u>1,178,568</u>

**ROCHESTER LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF CITY OF ROCHESTER)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Years Ended June 30,**

	<u>2021</u>	Restated 2020
<b>Operating revenues:</b>		
NYS grant	\$ 818,529	\$ 729,948
Sale of real estate	<u>162,910</u>	250,963
Total operating revenues	<u>981,439</u>	980,911
<b>Operating expenses:</b>		
Acquisition costs	8,000	311,601
Renovation and construction	863,725	564,797
Salary and benefits	72,324	90,562
Demolition	100,000	165,225
Professional services	11,405	7,141
Other expenses	<u>30,595</u>	11,531
Total operating expenses	<u>1,086,049</u>	1,150,857
Change in net position	(104,610)	(169,946)
Net position - beginning, as restated (Note 4)	<u>1,178,568</u>	1,348,514
Net position - ending	<u>\$ 1,073,958</u>	<u>\$ 1,178,568</u>

**ROCHESTER LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF CITY OF ROCHESTER)**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30,**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Cash received from grants	\$ 970,480	\$ 571,694
Cash received from sale of real estate	162,910	250,963
Payments to service providers	(812,638)	(1,171,565)
Payments for employee services	(93,979)	(92,208)
<b>Net cash provided (used) by operating activities</b>	<u>226,773</u>	<u>(441,116)</u>
Net increase (decrease) in cash	226,773	(441,116)
Cash - beginning	<u>1,087,600</u>	1,528,716
<b>Cash - ending</b>	<u>\$ 1,314,373</u>	<u>\$ 1,087,600</u>
Reconciliation of loss from operations to net cash provided (used) by operating activities:		
Change in net position	\$ (104,610)	\$ (169,946)
Change in assets and liabilities:		
(Increase) decrease in:		
Due from City of Rochester	151,951	(158,254)
Increase (decrease) in:		
Accounts payable	39,242	(17,573)
Due to City of Rochester	<u>140,190</u>	<u>(95,343)</u>
Net cash provided (used) by operating activities	<u>\$ 226,773</u>	<u>\$ (441,116)</u>

## **ROCHESTER LAND BANK CORPORATION NOTES TO BASIC FINANCIAL STATEMENTS**

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### **NOTE 1. ORGANIZATION**

Rochester Land Bank Corporation (the "Corporation") is a public authority and not-for-profit corporation formed under Article 16 of the Not-for-Profit Corporation Law (the "Land Bank Act"). On November 14, 2012, by Ordinance Number 2012-416, the Rochester City Council approved the formation of a land bank pursuant to Section 1603(a) of the Land Bank Act. On February 21, 2013, the New York State Urban Development Corporation approved the creation of a land bank by the City of Rochester (the "City") pursuant to Section 1603(g) of the Land Bank Act. On August 9, 2013, the City filed the Corporation's Certificate of Incorporation pursuant to Section 1603(a)(5) of the Land Bank Act.

The Land Bank Act, enacted as Chapter 257 of the Laws of 2011, authorizes the creation of land banks to acquire vacant, abandoned, and tax delinquent properties in order to facilitate their return to productive use. The mission of the Corporation is to return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities in the City of Rochester. The Corporation's acquisition, management, and disposition of vacant, abandoned, and tax delinquent properties is conducted in a manner that supports that mission in alignment with the City of Rochester's redevelopment strategies, goals and objectives.

There are seven members of the Board of Directors, five *ex officio* members, and two appointed members who serve three-year terms.

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues, expenses, gains, and losses are classified into three classes of net position - restricted, unrestricted and net investment in capital assets - which are displayed in the statement of net position.

#### **B. NET POSITION**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation. The Corporation has no net position in this class.
- b. Restricted net position - Consists of net position with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation has no net position in this class.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

#### **C. RECEIVABLES**

Receivables are reported at their net realizable value. Generally accepted accounting principles in the United States of America require the establishment of an allowance for uncollectible receivables, however, no allowance for uncollectible receivables has been provided since management believes that such allowance would not be necessary.

#### **D. INCOME TAXES**

The Corporation is a Public Benefit Corporation of the State of New York and is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made on the accompanying financial statements.

## ROCHESTER LAND BANK CORPORATION NOTES TO BASIC FINANCIAL STATEMENTS

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### E. USE OF ESTIMATES IN PREPARATION OF THE FINANCIAL STATEMENTS

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 those estimates.

### F. ACCOUNTING PRONOUNCEMENTS

The following are GASB Statements that have been issued recently and are currently being evaluated, by the Corporation, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending June 30, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending June 30, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending June 30, 2023.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending June 30, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending June 30, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending June 30, 2022.

## NOTE 3. DETAILS ON TRANSACTION CLASSES/ACCOUNTS

### A. CASH

Cash and cash equivalents totaled \$1,314,373 and \$1,087,600 at June 30, 2021 and 2020, respectively. The Corporation's investment policies are governed by State statutes. The Corporation's monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and municipalities and school districts.

#### Investment and Deposit Policy

The Corporation currently follows an investment and deposit policy as directed by State statutes, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Board of Directors.

The Corporation's bank balances were fully collateralized at June 30, 2021 and 2020.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Corporation's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**ROCHESTER LAND BANK CORPORATION NOTES  
TO BASIC FINANCIAL STATEMENTS**

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Credit Risk

The Corporation's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations.

Custodial Credit Risk

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. In accordance with the Corporation's investment and deposit policy, all deposits of the Corporation including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits.

**B. TRANSACTIONS WITH CITY OF ROCHESTER**

Throughout the year the City of Rochester will disburse funds for vendors and payroll and the Corporation will reimburse them accordingly. Amounts due to the City of Rochester are as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Construction/acquisition	\$ 46,522	\$ 6,303
Revenue transferred in error	158,255	-
Reimbursement due to the City	-	36,629
Salary and benefits	<u>1,218</u>	<u>22,873</u>
Total	<u>\$ 205,995</u>	<u>\$ 65,805</u>

As of the date of these financial statements, all amounts owed to the City of Rochester have been repaid.

In addition, the City of Rochester acts as a pass-through agency for certain grant funding. Due to the processing time, that funding may not be remitted to the Corporation until after the fiscal year end. Amounts owed to the Corporation from the City of Rochester are as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
NYS grant	\$ <u>6,303</u>	\$ <u>158,254</u>

**C. CONTINGENCIES**

**Grants** – In the normal course of operations, the Corporation receives grant funds from various State and Local agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the Corporation. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**NOTE 4. PRIOR PERIOD ADJUSTMENT**

The Corporation failed to record a payable to the City of Rochester of \$36,629, relating to an acquisition of some properties, as of June 30, 2018.

Net position – beginning, as previously stated	\$ 1,385,143
Acquisition expense	<u>(36,629)</u>
Net position – beginning, as restated	\$ <u>1,348,514</u>

**NOTE 5. SUBSEQUENT EVENTS**

These financial statements have not been updated for subsequent events occurring after September 20, 2021 which is the date these financial statements were available to be issued.

## **INTERNAL CONTROLS AND COMPLIANCE**



**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**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors Rochester  
Land Bank Corporation Rochester,  
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 Rochester Land Bank Corporation, (the Corporation), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 20, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
September 20, 2021

**INDEPENDENT ACCOUNTANT'S REPORT**

To the Board of Directors of the Rochester Land Bank Corporation  
Rochester, New York

We have examined Rochester Land Bank Corporation's (the Corporation) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") during the period July 1, 2020 to June 30, 2021. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the Investment Guidelines during the period of July 1, 2020 to June 30, 2021.

This report is intended solely for the information and use of the Board of Directors, management and others within the Corporation and the New York State Authorities Budget Office and is not intended to be and should not be used by anyone other than these specified parties.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
September 20, 2021