



Annual Report

Fiscal Year 2022-2023

Rochester Land Bank Corporation

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Rochester, NY 14614 (585) 428-7320
www.cityofrochester.gov/landbank
Paul Scuderi, Executive Director

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Board of Directors

- Carol Wheeler, Board Chair
- Erik L. Frisch, Board Vice-Chair
- LaShay Harris, Board Secretary
- John Fornof, Board Treasurer
- Kurt Martin
- James Smith
- Eric Van Dusen – Mayoral Appointee

Corporation Executive Staff

- Executive Director – Paul J. Scuderi
- Legal Counsel – Stephanie Prince
- Corporation Auditor – EFPR Group, LLP

2022-2023 Board Committees & Membership

Acquisition Committee

- Carol Wheeler, Chair
- LaShay Harris, Board Secretary
- Kurt Martin
- Eric Van Dusen – Mayoral Appointee

Audit

- Erik L. Frisch, Board Vice-Chair
- John Fornof, Board Treasurer
- James Smith

Finance

- Inactive – The Land Bank does not issue debt.

Governance

- Erik L. Frisch, Board Vice-Chair
- John Fornof, Board Treasurer
- Kurt Martin

Fiscal Year 2022-2023 Board Meeting Attendance

July 21, 2022

Board Members Present: Kurt Martin, John Fornof, LaShay Harris, James Smith and Eric Van Dusen

Board Members Absent: Carol Wheeler and Erik L. Frisch

August 24, 2022

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof, LaShay Harris and Eric Van Dusen

Board Members Absent: James Smith

September 23, 2022 – Annual Meeting

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof, LaShay Harris, Eric Van Dusen and James Smith

Board Members Absent: None

October 11, 2022

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof, LaShay Harris and Eric Van Dusen

Board Members Absent: John Fornof and James Smith

November 17, 2022

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof, Eric Van Dusen and James Smith

Board Members Absent: LaShay Harris

December 15, 2022

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, LaShay Harris, Eric Van Dusen and James Smith

Board Members Absent: John Fornof and Erik L. Frisch

January 19, 2023

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof, LaShay Harris, and Eric Van Dusen

Board Members Absent: James Smith

February 16, 2023

Board Members Present: Carol Wheeler, John Fornof, LaShay Harris, Eric Van Dusen and James Smith

Board Members Absent: Erik L. Frisch and Kurt Martin

March 16, 2023

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof and LaShay Harris,

Board Members Absent: Eric Van Dusen and James Smith

April 20, 2023

Board Members Present: Carol Wheeler, Erik L. Frisch, John Fornof, Kurt Martin, Eric Van Dusen and James Smith

Board Members Absent: LaShay Harris

May 18, 2023

Board Members Present: Carol Wheeler, Kurt Martin, LaShay Harris, Eric Van Dusen and James Smith

Board Members Absent: Erik L. Frisch, James Smith and John Fornof

June 29, 2023

Board Members Present: Carol Wheeler, Erik L. Frisch, Kurt Martin, John Fornof, LaShay Harris and James Smith

Board Members Absent: Eric Van Dusen

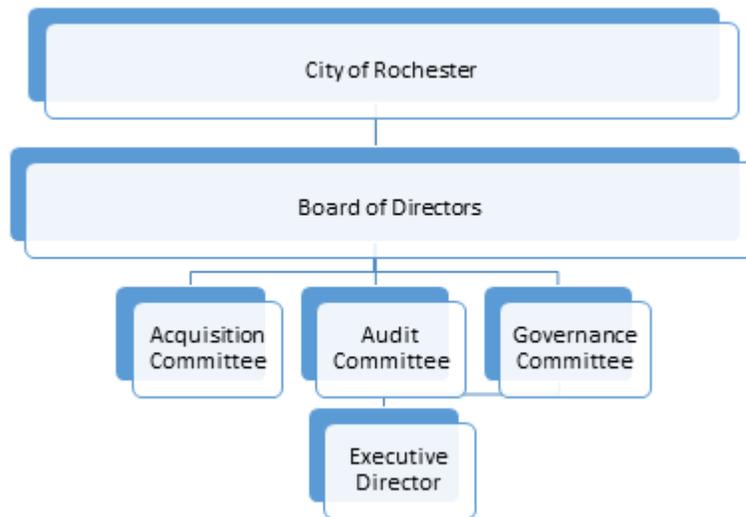
Compensation Schedule

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 2022-2023.

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, 2023

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 2022-2023.

Operations and Accomplishments 2022-2023

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. The Land Bank

engaged an independent auditor in August 2023. 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 2022-2023 will be available on the Corporation's website at https://www.cityofrochester.gov/Land_Bank_Reports/

There were twelve regular public meetings of the Board of Directors of the Corporation in fiscal year 2022-2023.

2022-2023 Accomplishments

Acquisitions

The RLBC acquired 42 properties at the 2022 Tax Foreclosure sale. Most of these properties are not habitable due to being vacant for so many years including during COVID. Most of them had structural issues and they need to be demolished. The RLBC sold 8 properties to partners for rehabilitation and will be sold to owner occupants. We have transferred 19 properties to the City of Rochester for demolition. The remaining 15 properties are currently under property management while we determine which ones are good for owner occupants to purchase under different programs.

ARPA

The City of Rochester allocated \$2.4 Million of American Rehabilitation Plan Act (ARPA) funds to RLBC to conduct acquisition and rehabilitation activities in census tracts that sustained a disproportionate impact from COVID-19. The funds must be committed by December 2024 and spent by December 2026. This funding will support acquisitions at the 2023 Tax Foreclosure Auction and, the Land Bank has committed to provide up to \$50,000 in rehabilitation subsidy to facilitate the Rehabilitate the Dream in Rochester (RTD) transactions in qualified census tracts. Through a partnership with Rochester Housing Authority (RHA), these funds will also support a program to sell houses currently owned by RHA to public housing residents. RLBC will provide supplemental rehabilitation funding to ensure these long-term rental properties will be of a quality and condition that a new homeowner would expect from the private market.

LBI Phase 1

In August 2022, RLBC was awarded \$100,000 through the office of Homes and Community Renewal (HCR)'s Land Bank Initiative Phase I. The funding is for operational activities and is based on a Land Bank's previous year's expenditures in its Annual Budget as reported to the Authorities Budget Office. The award is renewable annually for a total of three years. This reliable state level support fully funds the salary for the Land Bank's Director of Capacity and Compliance and partially reimburses the salary of Project Director. In addition, the RLBC has hired a property management firm with a portion of the award who was able to provide a level of property maintenance that will allow the Land Bank residential inventory – while still rehabilitation candidates – to be competitive in direct sales to potential occupants, rather than just investors looking for bargains. LBI Phase 1 has also offset some of the increased expenses related to property insurance that has resulted from the RLBC's unprecedented influx of inventory from the 2022 Tax Foreclosure Auction and the number of properties we intend to hold for inclusion in new affordable housing programs.

LBI Phase 2

In May 2023, RLBC was awarded \$900,000 through HCR's competitive LBI Phase 2 funding round for development activities. RLBC's application focused on supporting and/or reinforcing prior investments. Approximately half the award will provide stabilization funding for the Rehabilitate the Dream, an acquisition/rehabilitation program for low-to-moderate income owner occupants. Another quarter has been committed to predevelopment activities including

environmental investigation and remediation on Land Bank owned parcels, and title investigation on long-term vacant residential structures in Rochester's JOSANA neighborhood. This augments a previous RLBC investment to support the construction of twenty units quality affordable rental housing in that neighborhood. The remaining funds will be used to support acquisition of vacant, blighted and or tax-delinquent properties to further the Land Banks mission of returning those properties to productive use. The grant term ends December 2024.

2022-2023 Challenges

- **Judicial Decisions affecting Municipal Tax Foreclosures**

At the end of June 2022, *Gunsalus v. County of Ontario* decision in the Second District Federal Court of Appeals affirmed that if a property is tax foreclosed, the prior owner could recover it provided they file bankruptcy using Chapter 13 within two years of the date of the foreclosure. This court decision has essentially delayed the insurability of title of tax foreclosed properties and made acquisition of properties in this manner a more complicated calculation. The immediate impact of the decision is that only two of RLBC's thirteen approved development partners purchase properties through the program in FY 2022-2023.

Further complicating the tax foreclosure landscape, the Supreme Court of the United States issued a unanimous decision on *Tyler v. Hennepin County* in May 2023, reversing court's decisions and requiring that a tax foreclosure proceeding that does not provide for the remittance of excess proceed to the former owner is a violation of the Takings Clause in the Fifth Amendment to the Constitution. While the City of Rochester's longstanding process for the return of excess proceeds means the decision has little to no impact on its foreclosure action, the process was well-established by the time the New York State Land Bank Act created the preferred bidding status for Land Banks and no consideration was given at the time to how that particular provision might interact with the judicial process. While there is no suggestion that the RLBC's current process is improper, title companies across the state are even more hesitant to insure title on tax foreclosed properties. The unavailability of title insurance makes obtaining mortgages and rehabilitation loans secured by tax foreclosed properties challenging for smaller scale developers and, in particular, owner-occupants. RLBC is continuing to work through these challenges with the City of Rochester's Law Department.

- **Condition and Security of Vacant Properties Subsequent to the Pandemic Foreclosure/Eviction Moratorium**

RLBC was able to acquire 42 properties at the City's Tax Foreclosure Auction during the 2022-2023 fiscal year. However, upon inspection and after an unfortunate fire started by unauthorized occupants, nineteen of those properties were found to be candidates for demolition. While acquisition for blight removal by means of demolition is a tool the land bank is certainly willing to use, none of the properties were purchased at the auction with that disposition in mind. Part of what makes a property a good prospect for the Land Bank is that it is in a deteriorated condition such that responsible private investors are no longer interested. Unfortunately, the nearly three years of vacancy or at least property neglect that resulted from the lengthy, if necessary, foreclosure and eviction moratoria resulted in many more properties that could not be saved even with significant public subsidy. In addition, inflation and volatility in the rental market made vacant properties, even those in poor condition, a prime target for squatters. On more than one occasion, properties that were vacant and boarded when exterior inspections were performed prior to closing, were found to be occupied to some degree when the Land Bank was able to take title and attempt interior access. These circumstances have

resulted in a much lower percentage of properties being returned to productive use within the same fiscal year. RLBC staff, its Property Management consultant and its legal advisor are investigating strategies to mitigate these unanticipated risks.

Administrative Activities

At the annual meeting on September 21, 2023, 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
- Audited Financial Statements obtained from EFPR Group, LLP.

On March 8, 2023, the Corporation's Board Chairperson 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, 2023. 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 2022-2023 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 | \$ 71,510 |
| City of Rochester Donations | -- |
| Sale of Real Estate | <u>281,670</u> |

Total Revenues \$ 568,622

OPERATING EXPENSES

| | |
|-----------------------------|------------------|
| Acquisition Costs | \$ 639,896 |
| Renovation and Construction | 0 |
| Salary & Benefits | \$ 266,623 |
| Demolition | 0 |
| Professional Services | \$ 22,802 |
| Other | <u>\$ 56,912</u> |
| | \$ 986,233 |

Change in Net Position (417,611)

Net Position – Beginning of Year \$1,558,199

Net Position – End of Year \$1,140,588

Assets and Liabilities Summary

ASSETS

| | |
|----------------------------|---------------|
| Cash and Cash Equivalents | \$1,145,071 |
| Accounts Receivable | 0 |
| Due from City of Rochester | <u>51,181</u> |
| Total Assets | \$1,196,252 |

LIABILITIES

| | |
|------------------------------|---------------|
| Accounts Payable | \$ 4,483 |
| Due to the City of Rochester | <u>51,181</u> |
| Total Liabilities | \$ 55,664 |

Net Position Unrestricted \$ 1,140,588

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 eight properties with a value in excess of \$15,000.

Description of Pending Litigation

The Corporation currently has no pending litigation.

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 and procured services via request for proposal and competitive bidding in fiscal year 2022-2023 as noted in the Procurement Report, Appendix I.

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. | 6 | | | |
| The policies, practices and decisions of the Board are always consistent with this mission. | 6 | | | |
| Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles. | 6 | | | |
| The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Land Bank and reviews these annually. | 6 | | | |
| The Board sets clear and measurable performance goals for the Land Bank that contribute to accomplishing its mission. | 4 | 2 | | |
| The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest. | 6 | | | |
| Individual Board members communicate effectively with Executive Director so as to be well informed on the status of all important issues. | 6 | | | |
| Board members are knowledgeable about the Land Bank's programs, financial statements, reporting requirements, and other transactions. | 6 | | | |
| 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. | 6 | | | |
| The Board knows the statutory obligations of the Land Bank and if it is in compliance with state law. | 6 | | | |
| Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members. | 6 | | | |
| Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken. | 6 | | | |
| Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required. | 6 | | | |
| The Board exercises appropriate oversight of the Executive Director and other staff, including setting performance expectations and reviewing performance annually. | 4 | 2 | | |
| 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. | 4 | 2 | | |
| Board members demonstrate leadership and vision and work respectfully with each other. | 6 | | | |

*One board member abstained from the evaluation.

Name of Authority: Rochester Land Bank Corporation

Date Completed: September 21, 2023

Appendix B

Performance Measurement Report

FY 2022 – 2023

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, 2023

- ***Return underutilized property to productive use*** In the 2022-2023 fiscal year, Rochester Land Bank Corporation acquired 42 properties from the 2022 City of Rochester Tax Foreclosure Auction. This was the largest quantity of tax foreclosed properties RLBC was able to acquire in one year.
- ***Preserve and create quality housing*** Eight of the properties acquired at the Tax Foreclosure Auction were sold to prequalified Land Bank development partners during this fiscal year. In addition, the Land Bank has been engaging with Rochester Housing Authority to find ways to improve housing quality for those using Section 8 Housing Vouchers to become homeowners. Additionally, RLBC has secured both federal and state funding to subsidize its acquisition/rehabilitation program, Rehabilitate the Dream in Rochester. This will help to heighten the level of rehabilitation for homes in City neighborhoods.
- ***Enhance the quality of life within neighborhoods*** RLBC was awarded a quarter million dollars to expand its commitment to support quality housing the JOSANA neighborhood by supporting pre-development activities on underutilized properties. In 2018, the Land Bank invested Community Revitalization Initiative (CRI) grant funds in constructing twenty quality affordable rental units as part of the Stadium Estates development in JOSANA. The Land Bank Initiative (LBI) Phase 2 grant awarded in this fiscal year will fund environmental investigation and remediation of additional building sites as well as the title investigation that is the first step in the due diligence necessary for RLBC to responsibly acquire vacant, blighted properties by means other than the City Tax Foreclosure Auction.
- ***Encourage economic opportunities*** RLBC continues to prioritize wealth building by supporting affordable homeownership through its partnerships with Rochester Housing Development Fund Corporation and Rochester Housing Authority, as well as its new Rehabilitate the Dream in Rochester program. In addition, the RFP process RLBC conducted seeking a Property Manager resulted in the selection of a black-owned company. The Land Bank also facilitated an introduction to the City of Rochester's MWBE Office to allow the business to increase its opportunities to bid for additional government contracts.
- ***Build organizational capacity*** In September 2022, RLBC was awarded \$100,000 in operational support through the Land Bank Initiative (LBI) Phase 1 funded by the NY State budget. The LBI Phase 1 grant is renewable annually through 2025 and has been used to fully fund one Land Bank position as well as support property insurance and property management costs. This has reliable additional funding has added the capacity the Land Bank needs to begin its transition to more active housing development activities.

RLBC's Executive Director and Board Chairperson attended the Reclaiming Vacant Properties Conference September 2022. Carol Wheeler, Board Chairperson, was a speaker for the session Implementing Rental Regulation Programs to Improve Health and Advance Equity.

Land Bank staff continued to actively participate 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. The advocacy of this state association has resulted in Land Banks across the state to access \$26 million from the state budget through the ongoing Land Bank Initiative. Membership and active participation has become particularly important as Land Banks around the country attempt to navigate the shifting political environment complicating Land Banks' community stabilization efforts.

Land Bank staff and the Board Chairperson continue to participate in a multi-agency team to spread awareness of and implement a City of Rochester racial equity workplan with the dual goals of increasing business starts and growth and homeownership among racially marginalized City residents. These activities were the genesis of RLBC's collaboration with Rochester Housing Authority and continue to foster RLBC's participation in a cooperative network of organizations promoting quality housing for Rochester residents.

Appendix C

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](#).

Appendix D



City of Rochester

City Clerks Office

Certified Ordinance

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 | Charles Benincasa |
| Director of Development Services | Bret Garwood |
| Manager of Housing | Carol Wheeler |
| Director of Inspection & Compliance Services | Gary Kirkmire |
| Chief of Staff, City Council | Andrea Guzzetta |

Appointed members, to serve three-year terms:

| | |
|-------------------------------|---------------------|
| Mayor's appointee | George Parker, Esq. |
| Council President's appointee | Dana Miller |

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

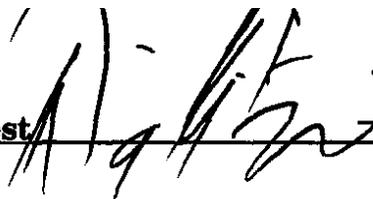
Section 2. This ordinance shall take effect immediately.

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

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

Appendix F

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

Financial Plan

|  | | | | | | | |
|---|-------------------------------|--|--------------------------------|----------------------------|-----------------------|---------------------|--------|
| Budget Report for Rochester Land Bank Corporation | | | | Run Date: 07/24/2023 | | | |
| Fiscal Year Ending: 06/30/2024 | | | | Status: CERTIFIED | | | |
| | | | | Certified Date: 04/24/2023 | | | |
| Budget & Financial Plan | | Budgeted Revenues, Expenditures, And Changes In Current Net Assets | | | | | |
| | Last Year (Actual) 2022 | Current Year (Estimated) 2023 | Next Year (Adopted) 2024 | Proposed 2025 | Proposed 2026 | Proposed 2027 | |
| REVENUE & FINANCIAL SOURCES | | | | | | | |
| Operating Revenues | | | | | | | |
| Charges For Services | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Rental And Financing Income | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other Operating Revenues | \$147,404.00 | \$228,968.00 | \$200,000.00 | \$250,000.00 | \$75,000.00 | \$100,000.00 | |
| Non-Operating Revenues | | | | | | | |
| Investment Earnings | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| State Subsidies/Grants | \$361,522.00 | \$65,000.00 | \$600,000.00 | \$1,200,000.00 | \$1,025,000.00 | \$500,000.00 | |
| Federal Subsidies/Grants | \$0.00 | \$0.00 | \$800,000.00 | \$800,000.00 | \$800,000.00 | \$0.00 | |
| Municipal Subsidies/Grants | \$500,000.00 | \$0.00 | \$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 | \$0.00 |
| Other Nonoperating Revenues | \$0.00 | \$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 | \$0.00 |
| Total revenues and financing sources | \$1,008,926.00 | \$293,968.00 | \$1,600,000.00 | \$2,250,000.00 | \$1,900,000.00 | \$600,000.00 | |
| EXPENDITURES | | | | | | | |
| Operating Expenditures | | | | | | | |
| Salaries And Wages | \$0.00 | \$51,181.00 | \$77,198.00 | \$77,198.00 | \$26,017.00 | \$0.00 | |
| Other Employee Benefits | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Professional Services Contracts | \$37,658.00 | \$15,000.00 | \$35,000.00 | \$35,000.00 | \$35,000.00 | \$15,000.00 | |
| Supplies And Materials | \$0.00 | \$0.00 | \$5,000.00 | \$2,500.00 | \$2,500.00 | \$300.00 | |
| Other Operating Expenses | \$483,128.00 | \$621,523.00 | \$1,200,000.00 | \$1,910,000.00 | \$1,375,000.00 | \$500,000.00 | |
| Non-Operating Expenditures | | | | | | | |
| Payment Of Principal On Bonds And Financing Arrangements | \$0.00 | \$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 | \$0.00 |
| Subsidies To Other Public Authorities | \$0.00 | \$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 | \$0.00 |
| Grants And Donations | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other Nonoperating Expenses | \$3,899.00 | \$18,531.00 | \$62,236.00 | \$75,761.00 | \$11,511.00 | \$13,236.00 | |
| Total expenses | \$524,685.00 | \$706,235.00 | \$1,379,434.00 | \$2,100,459.00 | \$1,450,028.00 | \$528,536.00 | |
| Capital Contributions | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses | \$484,241.00 | (\$412,267.00) | \$220,566.00 | \$149,541.00 | \$449,972.00 | \$71,464.00 | |

Appendix G

Financial Plan

| | |
|--|----------------------------|
|  | |
| Budget Report for Rochester Land Bank Corporation | Run Date: 07/24/2023 |
| Fiscal Year Ending: 06/30/2024 | Status: CERTIFIED |
| | Certified Date: 04/24/2023 |

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

Additional Comments

Appendix H

Real Property Report - Acquisition/Disposal Fiscal Year Ending June 30, 2023

| # | Date Acquired | Property Address | Zip Code | Property Description | Purchase Price | Fair Market Value | Disposal Date | Sale Price | Competitively Bid?* |
|----|---------------|-----------------------|----------|----------------------|----------------|-------------------|---------------|-------------|---------------------|
| 1 | 2/15/2023 | 38 Agnes St | 14621 | Single Family | \$15,719.76 | \$25,000 | | | N |
| 2 | 2/15/2023 | 32 Arch St | 14609 | Single Family | \$13,222.59 | \$75,000 | | | N |
| 3 | 2/15/2023 | 275 Avenue A | 14621 | Single Family | \$10,316.04 | \$15,000 | | | N |
| 4 | 2/15/2023 | 201 Bay St | 14605 | Single Family | \$7,484.74 | \$55,000 | | | N |
| 5 | 2/15/2023 | 519 Bay St | 14609 | Single Family | \$19,104.70 | \$40,000 | | | N |
| 6 | 2/15/2023 | 264 Benton St | 14620 | Single Family | \$30,577.38 | \$60,000 | 4/24/2023 | \$30,577.38 | N** |
| 7 | 2/15/2023 | 231 Breck St | 14609 | Two-Family | \$35,815.58 | \$35,000 | | | N |
| 8 | 2/15/2023 | 31 Cameron St | 14606 | Single Family | \$10,255.98 | \$32,000 | | | N |
| 9 | 2/15/2023 | 449-449.5 Campbell St | 14611 | Two-Family | \$14,354.59 | \$50,000 | | | N |
| 10 | 2/15/2023 | 262 Champlain St | 14608 | Two-Family | \$17,760.96 | \$30,000 | | | N |
| 11 | 2/15/2023 | 176 Clairmount St | 14621 | Single Family | \$5,812.72 | \$35,000 | | | N |
| 12 | 2/15/2023 | 1730 Clifford Av | 14609 | Single Family | \$10,385.41 | \$60,000 | | | N |
| 13 | 2/15/2023 | 58 Eiffel Pl | 14621 | Single Family | \$13,586.46 | \$15,000 | | | N |
| 14 | 2/15/2023 | 39 Essex St | 14611 | Single Family | \$17,563.50 | \$20,000 | | | N** |
| 15 | 2/15/2023 | 86 Evergreen St | 14605 | Single Family | \$11,700.06 | \$22,000 | | | N |
| 16 | 2/15/2023 | 240 Fourth St | 14605 | Two-Family | \$7,154.25 | \$25,000 | | | N |
| 17 | 2/15/2023 | 191 Fulton Av | 14613 | Two-Family | \$22,887.91 | \$20,000 | | | N |
| 18 | 2/15/2023 | 376 Hague St | 14611 | Single Family | \$14,078.74 | \$15,000 | | | N |
| 19 | 2/15/2023 | 63 Laser St | 14621 | Single Family | \$7,230.11 | \$35,000 | 4/24/23 | \$7,230.11 | N** |
| 20 | 2/15/2023 | 114 Lexington Av | 14613 | Single Family | \$8,654.33 | \$18,000 | | | N |
| 21 | 2/15/2023 | 47 Maynard St | 14615 | Single Family | \$11,276.12 | \$20,000 | 4/24/23 | \$11,276.12 | N** |
| 22 | 2/15/2023 | 15 Meriden St | 14612 | Single Family | \$9,946.60 | \$95,000 | 4/11/23 | \$40,100 | N*** |
| 23 | 2/15/2023 | 1021 North St | 14621 | Single Family | \$14,359.91 | \$15,000 | | | N |
| 24 | 2/15/2023 | 59 Northlane Dr | 14621 | Single Family | \$8,266.41 | \$45,000 | 4/24/23 | \$8,266.41 | N** |
| 25 | 2/15/2023 | 169 Roycroft Dr | 14621 | Single Family | \$10,071.07 | \$20,000 | | | N |
| 26 | 2/15/2023 | 187 Sherman St | 14608 | Single Family | \$12,036.33 | \$22,000 | | | N |
| 27 | 2/15/2023 | 20-22 Short St | 14609 | Single Family | \$11,627.38 | \$75,000 | | | N |
| 28 | 2/15/2023 | 130 Sixth St | 14605 | Single Family | \$13,318.87 | \$20,000 | | | N |
| 29 | 2/15/2023 | 71 Turpin St | 14621 | Single Family | \$17,463.87 | \$70,000 | 4/24/23 | \$17,463.87 | N** |
| 30 | 2/15/2023 | 76 Tyler St | 14621 | Single Family | \$29,369.00 | \$75,000 | 4/24/23 | \$29,369.00 | N** |
| 31 | 2/15/2023 | 236 Weaver St | 14621 | Single Family | \$13,588.59 | \$30,000 | | | N |
| 32 | 2/15/2023 | 72 Weyl St | 14621 | Single Family | \$8,147.69 | \$25,000 | | | N |
| 33 | 2/15/2023 | 281 Whitney St | 14606 | Single Family | \$12,637.64 | \$15,000 | | | N |
| 34 | 2/15/2023 | 35 Wilder Ter | 14612 | Single Family | \$35,725.59 | \$100,000 | 4/11/23 | \$85,500 | N*** |
| 35 | 2/15/2023 | 131 York St | 14611 | Three-Family | \$18,646.82 | \$40,000 | | | N |

*Property was purchased at Tax Foreclosure Auction using pre-emptive bid

**The Land Bank Board approved transfer to not-for-profit development partners of certain properties acquired at the City's tax foreclosure auction at cost

***The Land Bank Board approved a development program that allowed the Land Bank acquire certain properties at the City's tax foreclosure auction for transfer to pre-qualified partners based on the high bid of those who identified prior interest

Appendix I

Procurement Report FY 2022-2023

| | |
|--|---|
|  | |
| Procurement Report for Rochester Land Bank Corporation Fiscal Year Ending: 06/30/2024 | Run Date: 09/01/2023 Status: UNSUBMITTED Certified Date : N/A |

Procurement Information:

| Question | Response | URL (If Applicable) |
|--|----------|---|
| 1. Does the Authority have procurement guidelines? | Yes | https://www.cityofrochester.gov/Land_Bank_Policies/ |
| 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-j(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-j(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-j(9) of the State Finance Law? | Yes | |

Procurement Report for Rochester Land Bank Corporation
Fiscal Year Ending: 06/30/2024

Run Date: 09/01/2023
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

| | | | |
|---|--------------------------------------|-------------------------|---------------------|
| 1. Vendor Name | Red Oak Management Group LLC | Address Line1 | 350 East Ave |
| Type of Procurement | Consulting Services | Address Line2 | Ste. 204-4 |
| Award Process | Authority Contract - Competitive Bid | City | ROCHESTER |
| Award Date | 3/17/2023 | State | NY |
| End Date | 3/31/2024 | Postal Code | 14604 |
| Fair Market Value | | Plus 4 | |
| Amount | \$25,000.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$18,739.50 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Property Management |

| | | | |
|---|--------------------------------------|-------------------------|---------------|
| 2. Vendor Name | Schumann Construction, Inc. | Address Line1 | 19 W. Main St |
| Type of Procurement | Other | Address Line2 | Ste. 100 |
| Award Process | Authority Contract - Competitive Bid | City | MACEDON |
| Award Date | 11/30/2022 | State | NY |
| End Date | 12/1/2023 | Postal Code | 14502 |
| Fair Market Value | | Plus 4 | |
| Amount | \$60,000.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$32,570.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Roofing |

Procurement Report for Rochester Land Bank Corporation
Fiscal Year Ending: 06/30/2024

Run Date: 09/01/2023
Status: UNSUBMITTED
Certified Date : N/A

Additional Comments

Appendix J

Investment Report FY 2022-2023

| | |
|---|---|
|  | |
| Investment Report for Rochester Land Bank Corporation Fiscal Year Ending: 06/30/2024 | Run Date : 09/01/2023 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 (b) of PAL? | | |
| 2. Are the Authority's investment guidelines reviewed and approved annually? | | |
| 3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL? | | |
| 4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments? | | |

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:

| Depository Name | Maximum Amount |
|---------------------------------------|-----------------------|
| 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 2022-2023 fiscal year.

The Fiscal Year 2022-2023 Audit Report of the Rochester Land Bank Corporation, prepared by EFPR Group, LLP and approved by the Board of Directors on September 21, 2023, 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

ROCHESTER LAND BANK CORPORATION

Financial Statements

June 30, 2023

(With Independent Auditors' Report Thereon)

ROCHESTER LAND BANK CORPORATION

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* * * * *

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Rochester Land Bank Corporation:

Report on the Audit of the Financial Statements

Opinion

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 year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Prior Period Financial Statements

The financial statements of the Corporation as of June 30, 2022, were audited by other auditors whose report dated September 15, 2022, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS 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 25, 2023 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 Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Rochester, New York
September 25, 2023

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, 2023.

Financial Highlights

The assets of the Rochester Land Bank Corporation exceeded its liabilities at the close of the most recent fiscal year by \$1,140,588 (*net position*). Of this amount, \$1,140,588 (*unrestricted net position*) may be used to meet the Rochester Land Bank Corporation's ongoing obligations.

The Rochester Land Bank Corporation's existing assets are comprised of resale proceeds and grant proceeds, received from the Land Bank Initiative (LBI) grant program offered through the New York State Homes and Community Renewal (HCR) office and from the City of Rochester. The Land Bank was awarded \$100,000 for Phase 1 of the LBI grant program during the current fiscal year. The City of Rochester awarded no grant funds to the Land Bank during the current fiscal year.

The Rochester Land Bank Corporation utilizes 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, 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 City of Rochester, and maintains relationships with various other partners such as Home Headquarters and Rosario Home Improvements.

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 position 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 position 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 \$1,140,588 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>2023</u> | <u>2022</u> | <u>2021</u> |
|---|--------------------|--------------------|--------------------|
| Assets | \$1,196,252 | \$1,564,321 | \$1,320,676 |
| Liabilities | <u>55,664</u> | <u>6,122</u> | <u>246,718</u> |
| Net Position | <u>\$1,140,588</u> | <u>\$1,558,199</u> | <u>\$1,073,958</u> |
| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
| Operating Revenues | \$568,622 | \$1,251,740 | \$981,439 |
| Operating Expenses | <u>986,233</u> | <u>767,499</u> | <u>1,086,049</u> |
| Change in net position | (417,611) | 484,241 | (104,610) |
| Net position - beginning of year | <u>1,558,199</u> | <u>1,073,958</u> | <u>1,178,568</u> |
| Net position - end of year | <u>\$1,140,588</u> | <u>\$1,558,199</u> | <u>\$1,073,958</u> |

Financial Analysis of the Corporation's Funds

Unrestricted Funds. The unrestricted funds consists primarily of resale proceeds and grant proceeds from the Land Bank Initiative ("LBI") grant offered through the New York State Homes and Community Renewal (HCR) office and the City of Rochester.

Economic Factors

Total non-farm employment in New York State increased by 2.0%, or 186,000 jobs, from June 2022 to June 2023. Total non-farm employment in the Rochester Metropolitan Area increased by 1.2%, or 6,500 jobs, over this same time period. Private sector job gains accounted for the majority of the increase in Rochester (4,400 jobs),

As of June 2023, the primary labor force segment of the Rochester Metropolitan area's civilian labor force continued to be education and health services (24.4%), followed by trade, transportation, and utilities (15.6%), government (14.4%), professional and business services (12.7%) and manufacturing (10.6%).

As of May 2022, the top five largest employers in the Rochester area are University of Rochester, Rochester Regional Health System, Wegmans Food Markets, Inc., Paychex, and the Rochester Institute of Technology. The University of Rochester is 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 31,940 jobs in May 2022. 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 unemployment rate for the Rochester metro area was 3.1% as of June 2023, compared to the unemployment rate for New York State (3.9%) and the Nation (3.6%). That being said, we are aware that for certain parts of the City of Rochester, the unemployment rate for some populations may be as high as 40%. The poverty rate for the city as of July 2022 was 29.3%.

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,

| ASSETS | 2023 | 2022 |
|-----------------------------------|--------------|--------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 1,145,071 | \$ 1,424,317 |
| Accounts receivable | 0 | 140,004 |
| Due from City of Rochester | 51,181 | 0 |
| Total assets | 1,196,252 | 1,564,321 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | 4,483 | 6,122 |
| Due to City of Rochester | 51,181 | - |
| | 55,664 | 6,122 |
| Net position: | | |
| Unrestricted | \$ 1,140,588 | \$ 1,558,199 |

See accompanying notes to financial statements.

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>2023</u> | <u>2022</u> |
|----------------------------------|---------------------|---------------------|
| Operating revenues: | | |
| NYS grant | \$ 71,510 | \$ 361,522 |
| City of Rochester Grant | - | 500,000 |
| Donations | 215,442 | 242,814 |
| Sale of real estate | 281,670 | 147,404 |
| | <u>568,622</u> | <u>1,251,740</u> |
| Operating expenses: | | |
| Acquisition costs | 639,896 | 155,128 |
| Renovation and construction | 0 | 328,000 |
| Salary and benefits | 266,623 | 242,814 |
| Demolition | 0 | 0 |
| Professional services | 22,802 | 37,658 |
| Other expenses | 56,912 | 3,899 |
| Total operating expenses | <u>986,233</u> | <u>767,499</u> |
| Operating income | <u>(417,611)</u> | <u>484,241</u> |
| Net position - beginning of year | <u>1,558,199</u> | <u>1,073,958</u> |
| Net position - end of year | <u>\$ 1,140,588</u> | <u>\$ 1,558,199</u> |

See accompanying notes to financial statements.

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

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------------|--------------------------------|
| Cash flows from operating activities: | | |
| Cash received from grants | \$ 45,920 | \$ 867,825 |
| Cash received from sale of real estate | 421,675 | 7,400 |
| Payments to service providers | (746,841) | (765,281) |
| Net cash provided by operating activities | <u>(279,246)</u> | <u>109,944</u> |
| Net increase (decrease) in cash and cash equivalents | (279,246) | 109,944 |
| Cash and cash equivalents - beginning of year | <u>1,424,317</u> | <u>1,314,373</u> |
| Cash and cash equivalents - end of year | <u><u>\$ 1,145,071</u></u> | <u><u>\$ 1,424,317</u></u> |
| Reconciliation of income from operations to net cash provided by operating activities: | | |
| Income from operations | \$ (417,611) | \$ 484,241 |
| Change in assets and liabilities: | | |
| Decrease (increase) in: | | |
| Due from other governments | (51,181) | 6,303 |
| Decrease (increase) in: | | |
| Accounts receivable | 140,004 | (140,004) |
| Increase (decrease) in: | | |
| Accounts payable | (1,639) | (34,601) |
| Due to City of Rochester | 51,181 | (205,995) |
| Net cash provided by operating activities | <u><u>\$ (279,246)</u></u> | <u><u>\$ 109,944</u></u> |

See accompanying notes to financial statements.

ROCHESTER LAND BANK CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS

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.

ROCHESTER LAND BANK CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS

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.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes certificates of deposit which mature within ninety (90) days of issuance.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. ACCOUNTING PRONOUNCEMENTS

The Corporation has evaluated the provisions of Statement No. 91, *Conduit Debt Obligations*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology Arrangements* and part of the provisions of GASB Statement No. 99, *Omnibus 2022* and determined that they have no significant impact on the Corporation's financial statements.

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. 99, *Omnibus 2022*, which will be effective based on individual applications. Earlier implementation is encouraged.
- Statement No. 100, *Accounting Changes and Error Corrections – and amendment of GASB Statement No. 62*, which will be effective for the year ending June 30, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending June 30, 2025.

NOTE 3. DETAILS ON TRANSACTION CLASSES/ACCOUNTS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$1,145,071 and \$1,424,317 at June 30, 2023 and 2022, 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.

ROCHESTER LAND BANK CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS

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, 2023 and 2022.

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.

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. DUE TO/FROM 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 from the City of Rochester were as follows for the years ended June 30:

| | <u>2023</u> | <u>2022</u> |
|------------------------------|------------------|-------------|
| Revenue transferred in error | \$ <u>51,181</u> | \$ <u>0</u> |
| Total | \$ <u>51,181</u> | \$ <u>0</u> |

Amounts due to the City of Rochester were as follows for the years ended June 30:

| | <u>2023</u> | <u>2022</u> |
|---------------------|------------------|-------------|
| Salary and benefits | \$ <u>51,181</u> | \$ <u>0</u> |
| Total | \$ <u>51,181</u> | \$ <u>0</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.

ROCHESTER LAND BANK CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets included the following:

| | <u>2023</u> | <u>2022</u> |
|----------|-------------------|-------------------|
| Services | <u>\$ 215,442</u> | <u>\$ 242,814</u> |

Contributed services recognized are comprised of professional services related to the operations of the Corporation. Amounts represent an estimated percentage of time worked on Corporation related activity by City of Rochester employees.

NOTE 5. SUBSEQUENT EVENTS

These financial statements have not been updated for subsequent events occurring after September 25, 2023 which is the date these financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Rochester Land Bank Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Rochester Land Bank Corporation (the Corporation) a component unit of the City of Rochester, New York, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 25, 2023.

Report on 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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.

EFPR Group, CPAs, PLLC

Rochester, New York
September 25, 2023