

ERIE COUNTY LAND BANK  
A COMPONENT UNIT OF ERIE COUNTY  
Erie, Pennsylvania  
Audited Financial Statements  
For the Years Ended December 31, 2021 and 2020

**ERIE COUNTY LAND BANK  
A COMPONENT UNIT OF ERIE COUNTY**

ERIE, PENNSYLVANIA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Erie County Land Bank

***Opinion***

We have audited the accompanying financial statements of the Erie County Land Bank ("the Organization"), a component unit of Erie County, of Erie, PA as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Organization'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 financial position of the Erie County Land Bank as of December 31 2021 and 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***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 (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Erie County Land Bank 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 opinions.

***Responsibilities of Management 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, 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 Organization'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.

### ***Auditor's 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 auditor's 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 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement 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 Organization'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-7 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 the 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 April 28, 2022, on our consideration of the Erie County Land Bank'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 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 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 Erie County Land Bank's internal control over financial reporting and compliance.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Erie County Land Bank and do not purport to, and do not present fairly the financial position of Erie County as of December 31, 2021 and 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Busch, Banger, Bleil & Co. Inc.*

Certified Public Accountants  
Erie, Pennsylvania

April 28, 2022

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

To the Erie County Land Bank  
Erie, PA

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 Erie County Land Bank, a component unit of the County of Erie, Pennsylvania, and the related notes to the financial statements, which collectively comprise the Erie County Land Bank's basic financial statements, and have issued our report thereon dated April 28, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Erie County Land Bank'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 Erie County Land Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Erie County Land Bank'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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Erie County Land Bank's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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 result of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for another purpose.

*Buseck, Barger, Bleil & Co. Inc.*

Certified Public Accountants  
Erie, Pennsylvania

**ERIE COUNTY LAND BANK  
ERIE, PA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
December 31, 2021**

The discussion and analysis of the Erie County Land Bank's financial performance provides an overall review of the Authority's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

**OVERVIEW OF FINANCIAL STATEMENTS**

The Organization's basic financial statements are comprised of two components: 1) enterprise fund financial statements and 2) notes to the financial statements.

**Fund Financial Statements**

These statements provide financial position and result of the Organization's major funds. The Organization's only major governmental fund is the General Fund. A fund is an accounting entity created to account for a specific activity or purpose. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds. The Corporation has only governmental funds.

**Notes to the Financial Statements**

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE**

The Organization's total fund balances were \$3,141,174 and \$2,419,825 at December 31, 2021 and 2020, respectively.

Table A-1  
Fiscal Year ended December 31, 2021 and 2020  
Net Assets

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets	\$3,077,758	\$2,372,231
Other assets	<u>115,371</u>	<u>75,739</u>
<b>Total Assets</b>	<u>3,193,129</u>	<u>2,447,970</u>
<b>Liabilities</b>		
Total current liabilities	<u>51,955</u>	<u>28,145</u>
<b>Fund Balance</b>		
Committed	649,012	137,421
Unreserved	<u>2,492,162</u>	<u>2,282,404</u>
<b>Total Fund Balance</b>	<u>\$ 3,141,174</u>	<u>\$ 2,419,825</u>

A portion of the Organization's fund balance is restricted for expenditure reimbursement payable to the Erie Land Bank. The Erie County Land Bank has agreed to share 41.4% (2019), 12.4% (2020), & 14.1% (2021) of its yearly Gaming Revenue with the Erie Land Bank because they share a similar mission. The Erie Land Bank may draw on these funds at their discretion.

The results of this year's operations as a whole are reported in the Statement of Revenues, Expenses and Changes in Fund Balance (Exhibit II). Table A-2 takes the information from that Statement, rearranges it slightly, to present total revenues and expenses for the year.

Table A-2  
Fiscal Year ended December 31, 2021 and 2020  
Changes in Fund Balance

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>		
Gaming authority income	\$ 1,000,000	\$ 1,000,000
Interest income	<u>4,241</u>	<u>8,992</u>
<b>Total Operating Revenues</b>	<u>1,004,241</u>	<u>1,008,992</u>
<b>Operating Expenses</b>		
Erie Land Bank	129,409	52,412
Department of planning reimbursement	95,261	94,890
Other operating expenses	<u>50,481</u>	<u>46,743</u>
<b>Total Operating Expenses</b>	<u>275,151</u>	<u>194,045</u>
<b>Net Income from Operations</b>	<u>729,090</u>	<u>814,947</u>
<b>Non-Operating Revenues</b>		
Gain/(Loss) on inventory resold	<u>(51,841)</u>	<u>-</u>
<b>Increase in Fund Balance, Before Capital Contributions</b>	<u>677,249</u>	<u>814,947</u>
Capital Contributions	<u>44,100</u>	<u>57,500</u>
<b>Increase (Decrease) in Fund Balance</b>	<u>\$ 721,349</u>	<u>\$ 872,447</u>

During 2021, the Authority's revenues exceeded its expenses by \$721,349. Compared to 2020, revenues decreased \$4,751 (0.5%). This decrease was the result of interest income that was earned on the money market bank account from 2021. Expenses increased \$132,947 (68.5%) from 2020. The increase was due to more project costs incurred by the Erie Land Bank, as well as a loss on sale of properties held for resale.

#### CAPITAL ASSETS

##### Inventory Held for Resale

At December 31, 2021, the Organization had \$115,371 invested in properties to re-develop for resale. This amount represents a net increase (52.3%), including additions and deletions from 2020. The entity began operations in 2018 & as a result, has increased yearly activity since then.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Organization's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Erie County Land Bank, 150 E. Front Street, Suite #300, Erie, PA 16507.

ERIE COUNTY LAND BANK  
A COMPONENT UNIT OF ERIE COUNTY  
BALANCE SHEET  
FOR THE YEARS ENDED DECEMBER 31, 2021 & 2020

**Assets:**

	2021	2020
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 3,068,049	\$ 2,366,081
Prepaid expenses	9,709	6,150
	3,077,758	2,372,231
<u>Other assets:</u>		
Inventory held for resale	115,371	75,739
<u>Total Assets:</u>	\$ 3,193,129	\$ 2,447,970

**Liabilities:**

<u>Current Liabilities:</u>		
Accounts payable	\$ 51,836	\$ 28,145
Credit card liabilities	119	-
<u>Total Liabilities:</u>	51,955	28,145
<u>Fund Balance:</u>		
Committed	649,012	137,421
Unassigned	2,492,162	2,282,404
<u>Total Fund Balance</u>	3,141,174	2,419,825
<u>Total Liabilities and Fund Balance</u>	\$ 3,193,129	\$ 2,447,970

ERIE COUNTY LAND BANK  
A COMPONENT UNIT OF ERIE COUNTY  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2021 & 2020

	<u>2021</u>	<u>2020</u>
<u>Operating Revenues:</u>		
Gaming authority funds	\$ 1,000,000	\$ 1,000,000
Interest income	4,241	8,992
Total Revenues:	<u>1,004,241</u>	<u>1,008,992</u>
<u>Operating Expenditures:</u>		
Advertising	597	1,274
Bank fees and charges	30	30
Conferences/Meetings	2,691	-
Department of planning reimbursement	95,261	94,890
Dues and subscriptions	325	325
Erie Land Bank	129,409	52,412
Insurance expense	8,546	7,663
Legal and professional fees	21,327	25,424
Office supplies & expense	16,965	12,027
Total Expenditures:	<u>275,151</u>	<u>194,045</u>
Net Income from Operations	729,090	814,947
<u>Non-Operating Revenue (Expense)</u>		
Gain/(Loss) on inventory held for resale	<u>(51,841)</u>	<u>-</u>
<u>Increase in Fund Balance, Before Capital Contributions</u>	677,249	814,947
Capital Contributions	<u>44,100</u>	<u>57,500</u>
<u>Increase in Fund Balance</u>	721,349	872,447
<u>Fund Balance, Beginning of Year</u>	<u>2,419,825</u>	<u>1,547,378</u>
<u>Fund Balance, End of Year</u>	<u>\$ 3,141,174</u>	<u>\$ 2,419,825</u>

ERIE COUNTY LAND BANK  
A COMPONENT UNIT OF ERIE COUNTY  
STATEMENTS OF CASH FLOWS  
AS OF DECEMBER 31, 2021 & 2020

	<u>2021</u>	<u>2020</u>
<u>Cash flows from operating activities</u>		
Change in fund balances	\$ 721,349	\$ 872,447
Adjustments to reconcile increase in fund balance to net cash provided by (used in) operating activities:		
Changes in:		
Accounts receivable	-	1,088
Prepaid expenses	(3,559)	1,762
Accounts payable	23,691	2,854
Credit card liabilities	119	(954)
<u>Net cash provided by (used in) operating activities</u>	<u>20,251</u>	<u>4,750</u>
<u>Cash flows from (used in) investing activities:</u>		
Property purchased for resale	(39,632)	(67,436)
<u>Net cash provided by (used in) investing activities:</u>	<u>(39,632)</u>	<u>(67,436)</u>
<u>Net increase (decrease) in cash and cash equivalents</u>	701,968	809,761
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>2,366,081</u>	<u>1,556,320.00</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 3,068,049</u>	<u>\$ 2,366,081</u>

ERIE COUNTY LAND BANK  
A COMPONENT UNIT OF ERIE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. Reporting Entity***

The Erie County Land Bank (the “Organization”) was formed on June 7, 2018. The purpose of the Organization is to acquire, hold, and transfer interest in real property throughout Erie County as approved by the board of directors for the following purposes: to deter the spread of blight; to promote redevelopment and reuse of vacant, abandoned, and tax-delinquent properties; to support targeted efforts to stabilize neighborhoods; to stimulate residential, commercial and industrial development; all in ways that are consistent with goals and priorities established by the Ordinance. The Organization is a component unit of Erie County.

Component units, although legally separate entities are, in substance, part of the primary government’s operations. The criteria used to determine a component unit is based upon the control or dependency on the County. Control by or dependence on the County was determined on the basis of: budget adoption, taxing authority; outstanding debt secured by revenues or general obligation of the County; and obligation of the County to finance any deficits that may occur or receipt of significant subsidies from the County.

These financial statements include only the activities of the component unit. The operations of Erie County are addressed in a separate financial statement, which may be obtained at the administrative offices of the County.

***B. Basis of Presentation and Accounting***

The Organization’s financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

All activities of the Organization are accounted for within a single fund.

The accrual basis of accounting recognizes revenues as soon as they are both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the fiscal period.

***C. Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles sometimes requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***D. Cash Equivalents, Deposits and Investments***

Cash and cash equivalents, for purpose of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit, certificates of deposit and investments with a maturity of three months or less.

The deposit policy of the Organization adheres to state statutes and prudent business practice.

***E. Inventory (Properties Held for Resale)***

The fair market value of real estate held as inventory by the Erie County Land Bank is not generally reflected in the entity's financial statements until it is sold. Generally Accepted Accounting Principles require inventory be booked at cost or fair market value, whichever is less. Costs, including those related to the acquisition, demolition and rehabilitation of properties held for resale are capitalized. These costs are reclassified as expenses once a property is sold.

***F. Capitalization and Depreciation***

Improvements and equipment purchases are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is recorded on capitalized assets using the straight-line method.

***G. Budget***

An operating budget will be adopted each year for the General Fund on a modified accrual basis of accounting. Adoption of the budget by the Erie County Land Bank constitutes appropriations for the expenditures for the fiscal year. Encumbrances are not liabilities and therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are appropriated in the next year.

***H. Fund Balance***

Fund balance is classified as follows:

Committed items: This category includes items that contain constraints of the government from its highest level of decision-making authority. The amounts in the committed portion of fund balance are the amounts to be held for future improvements to be made by the Erie Land Bank.

Unassigned items: This represents the remainder of the Organization's equity.

***I. Receivables and Payables***

Receivables and payables resulting from transactions between primary government and the component unit for services provided or goods received are classified as "Due to Primary Government" or "Due from Component Unit" on the financial statements.

***J. Claims and Judgements***

These events and obligations are recorded on the accrual basis, when the event occurs and the obligation arises.

***K. Capital Contributions***

Contributions are recognized in the Statement of Revenues, Expenses and Changes in Net Assets when earned. Contributions include the fair market value of the land for properties donated to the Organization for revitalization, demolition & future disposition. As of December 31, 2021 and 2020, the Erie County Land Bank has received \$44,100 and \$57,500, respectively, in property donations (capital contributions) to carry on their mission of neighborhood stabilization.

**NOTE 2 – CASH**

## NOTE 2 – CASH

### Cash:

#### Custodial Credit Risk – Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Erie County Land Bank does not have a policy for custodial credit risk. At December 31, 2021, the carrying amount was \$3,068,049 and the bank balance was \$3,070,858. Of the bank balance, \$250,000 was covered by federal depository insurance at their financial institution. The remaining \$2,820,858 was exposed to custodial credit risk.

## NOTE 3 – RELATED PARTY TRANSACTIONS

The Erie Land Bank is a similar organization that operates within the city limits of Erie, Pennsylvania. The Erie Land Bank is a Component Unit of the City of Erie. As of 2021, the Organization had awarded a total of \$1,179,000 to the Erie Land Bank to be used for the first Erie Land Bank Workplan I & II, 2021 & 2022, respectively. The ECLB will continue to evaluate further projects in accordance with their Intergovernmental Cooperation Agreement. As of December 31, 2021, the Erie Land Bank had drawn the following from Work Plan I & II, 2021, 2022:

#### Work Plan I:

Share of ECGRA Revenue	\$ 414,000
Paid out as of 12/31/2021	<u>(332,569)</u>
Funds remaining 12/31/2021	<u>\$ 81,431</u>

#### Work Plan II

Share of ECGRA Revenue	\$ 124,000
Paid out as of 12/31/2021	<u>(93,841)</u>
Funds remaining 12/31/2021	<u>\$ 30,159</u>

#### Work Plan 2021

Share of ECGRA Revenue	\$ 141,000
Paid out as of 12/31/2021	<u>\$ (77,442)</u>
Funds remaining 12/31/2021	<u>\$ 63,558</u>

#### Work Plan 2022

Share of ECGRA Revenue	\$ 500,000
Paid out as of 12/31/2021	<u>\$ (26,136)</u>
Funds remaining 12/31/2021	<u>\$ 473,864</u>

Total remaining funds all Work Plans	<u>\$ 649,012</u>
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#### **NOTE 4 – INVENTORY HELD FOR RESALE**

Properties held for resale are recorded by the Organization at cost, which totaled approximately \$115,371 and \$75,739 as of 2021 and 2020, respectively. All property held by the Organization is considered property held for resale and therefore no depreciation was recorded during the years ended December 31, 2021 and 2020. Three properties were sold & two properties were donated, for a total of 5 properties released from the Erie County Land Bank's possession in 2021. These transactions amounted to a total book loss of \$51,841 as of December 31, 2021. There were no property sales for the year ended December 31, 2020.

#### **NOTE 5 – RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and construction of assets, injury and natural disasters. As of December 31, 2021, and 2020, the Organization has adequate insurance coverage for those risks.

#### **NOTE 6 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 28, 2022, the date the financial statements were available to be issued.

*Supplementary Information*

**ERIE COUNTY LAND BANK**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	For the Year Ended December 31, 2021			2020
	Original and Final Budget	Actual	Variance: Favorable (Unfavorable)	
<b><u>Operating Revenue:</u></b>				
Gaming authority funds	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000
Interest income	7,200	4,241	(2,959)	8,992
<b><u>Total Operating Revenue</u></b>	<b><u>1,007,200</u></b>	<b><u>1,004,241</u></b>	<b><u>(2,959)</u></b>	<b><u>1,008,992</u></b>
<b><u>Operating and Administrative Expenses:</u></b>				
Advertising	1,380	597	783	1,274
Bank fees and charges	-	30	(30)	30
Conferences/Meetings	10,000	2,691	7,309	-
Department of planning reimbursement	110,000	95,261	14,739	94,890
Dues and subscriptions	-	325	(325)	325
Erie Land Bank	124,000	129,409	(5,409)	52,412
Insurance expense	12,000	8,546	3,454	7,663
Legal and professional fees	33,500	21,327	12,173	25,424
Office supplies & expense	14,498	16,965	(2,467)	12,027
<b><u>Total Operating and Administrative Expenses</u></b>	<b><u>305,378</u></b>	<b><u>275,151</u></b>	<b><u>30,227</u></b>	<b><u>194,045</u></b>
<b><u>Net Operating Income</u></b>	<b><u>701,822</u></b>	<b><u>729,090</u></b>	<b><u>27,268</u></b>	<b><u>814,947</u></b>
<b><u>Non-Operating Revenue (Expense)</u></b>				
Loss on inventory held for resale	5,000	(51,841)	(56,841)	-
<b><u>Increase in Fund Balance, Before Capital Contributions</u></b>	<b><u>706,822</u></b>	<b><u>677,249</u></b>	<b><u>(29,573)</u></b>	<b><u>814,947</u></b>
Capital Contributions	-	44,100	44,100	57,500
<b><u>Increase (decrease) in Net Position</u></b>	<b><u>\$ 706,822</u></b>	<b><u>\$ 721,349</u></b>	<b><u>\$ 14,527</u></b>	<b><u>\$ 872,447</u></b>