



**NASSAU COUNTY**  
LAND BANK CORPORATION

**NASSAU COUNTY LAND BANK CORPORATION**  
**A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK**  
**Financial Statements**  
**(Together with Independent Auditors' Report)**  
**December 31, 2020**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Nassau County Land Bank Corporation

We have audited the accompanying financial statements of Nassau County Land Bank Corporation (the "Corporation"), a component unit of the County of Nassau, New York, as of and for the year ended December 31, 2020, which collectively comprise the Corporation's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation as of December 31, 2020, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 and 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



New York, NY  
June 29, 2021

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2020**

The following is a discussion and analysis of the Corporation's financial performance for the fiscal year ended December 31, 2020. This section is a summary of the Corporation's financial activities based on currently known facts, decisions, or conditions. This section is only an introduction and should be read in conjunction with the Corporation's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

**2020**

- The Corporation's net position increased to \$521,988 for the year ended December 31, 2020.
- Properties held for sale were recorded at \$521,313 as of December 31, 2020 and were recorded at acquisition value. During the year ended December 31, 2020, the Corporation did not purchase any property. In 2020, the Corporation sold two properties with a net book value of \$5,250. The sale amounted to \$181,250 resulting in a total gain on sale of \$176,000. Based on the property agreements, 50% of the gain must be paid to Nassau County. Therefore, \$88,000 was recorded as revenue for the Corporation for the year ended December 31, 2020.
- The Corporation had \$90,672 in cash at the end of fiscal year 2020. The majority of this cash is from grant and contribution funds received by the Corporation and remains at year-end due to the timing of payments.
- Operating revenues in 2020 totaled \$361,977 which consisted of grant revenue of \$270,814, the gain on sale of properties of \$88,000, and \$3,163 in interest. Grant revenues decreased from the prior year mainly due to less property acquisitions and improvements during 2020.

**2019**

- The Corporation's net position increased to \$309,458 for the year ended December 31, 2019.
- Properties held for sale were valued at \$268,723 as of December 31, 2019 and were recorded at acquisition value. During the year ended December 31, 2019, the Corporation received donations of eight properties and purchased one parcel of property. In May 2019, the Corporation sold one property with a net book value of \$64,272. The proceeds from the sale amounted to \$105,000 resulting in a gain on sale of \$40,728.
- The Corporation had \$352,004 in cash at the end of fiscal year 2019. The majority of this cash is from grant and contribution funds received by the Corporation.
- Operating revenues increased to \$398,651 which consisted of grant revenue of \$357,923 and the gain on sale of property of \$40,728. Grant revenues increased from the prior year due to the additional costs incurred in 2019 for property acquisitions and improvements.

**Overview of Financial Statements**

The basic financial statements include the statement of net position, statement of revenues, expenses and change in net position, statement of cash flows and notes to the financial statements.

The first of these statements is the statement of net position. This is the statement of financial position presenting information that includes all of the Corporation's assets and liabilities, with the difference 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 Corporation as a whole is improving or deteriorating. Evaluation of the overall economic health of the Corporation must include other nonfinancial factors such as the economic picture of the County and the State, in addition to the financial information provided in this report.

The second statement is the statement of revenues, expenses and change in net position, which reports how the Corporation's net position changed during the current fiscal year. Revenues and expenses are included when earned or incurred, regardless of when cash is received or paid.

The third statement is the statement of cash flows, which shows the sources and uses of cash.

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements.

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**DECEMBER 31, 2020**

Below is a summary of the statements of net position and the statements of revenues, expenses and change in net position as of and for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 690,369	\$ 626,480	\$ 63,889	10%
<b>Total assets</b>	<u>690,369</u>	<u>626,480</u>	<u>63,889</u>	<u>10%</u>
Current liabilities	<u>168,381</u>	<u>317,022</u>	<u>(148,641)</u>	<u>-47%</u>
Net position				
Restricted	15,000	15,000	-	0%
Unrestricted	<u>506,988</u>	<u>294,458</u>	<u>212,530</u>	<u>72%</u>
	<u>\$ 521,988</u>	<u>\$ 309,458</u>	<u>\$ 212,530</u>	<u>69%</u>
<b>Summary of Changes in Net Position</b>				
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues	\$ 361,977	\$ 398,651	\$ (36,674)	-9%
Operating expenses	<u>149,447</u>	<u>147,893</u>	<u>1,554</u>	<u>1%</u>
<b>Operating income</b>	<u>212,530</u>	<u>250,758</u>	<u>(38,228)</u>	<u>-15%</u>
<b>Change in net position</b>	212,530	250,758	(38,228)	-15%
Net position				
Beginning of year	<u>309,458</u>	<u>58,700</u>	<u>250,758</u>	<u>427%</u>
End of year	<u>\$ 521,988</u>	<u>\$ 309,458</u>	<u>\$ 212,530</u>	<u>69%</u>

**Economic Factors**

The Corporation will continue to look for funding opportunities to further its mission of promoting local development. Each year, the Corporation will evaluate opportunities for investment of its resources in furthering this mission.

**Contacting Administration**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Corporation's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact the Nassau County Land Bank Corporation's Executive Director at One West Street, Mineola, NY 11501.

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2020**

**ASSETS**

Current assets:		
Unrestricted cash	\$	75,672
Restricted cash		15,000
Note receivable		69,000
Accrued interest receivable		3,163
Prepaid expenses and other current assets		6,221
Properties held for sale		<u>521,313</u>
<b>TOTAL CURRENT ASSETS</b>		<u>690,369</u>

**LIABILITIES**

Current liabilities:		
Accounts payable and accrued expenses		56,622
Due to Nassau County		102,701
Deposit payable		<u>9,058</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>168,381</u>

**NET POSITION**

Restricted for:		
Property rehabilitation		15,000
Unrestricted		<u>506,988</u>
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u>521,988</u></b>

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>OPERATING REVENUES:</b>	
Grant revenue	\$ 270,814
Gain on sale of real property	88,000
Interest revenue	<u>3,163</u>
<b>TOTAL OPERATING REVENUES</b>	<u>361,977</u>
<b>OPERATING EXPENSES:</b>	
Salaries and employee benefits	123,838
Professional fees	15,300
Insurance	9,284
Miscellaneous	<u>1,025</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>149,447</u>
<b>OPERATING INCOME</b>	<u>212,530</u>
<b>CHANGE IN NET POSITION</b>	212,530
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>309,458</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 521,988</u>

The accompanying notes are an integral part of these financial statements.

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from grants and contributions	\$ 66,985
Proceeds from sale of property held for sale	112,250
Miscellaneous receipts	9,058
Payments for acquisitions of properties held for sale and improvements	(289,024)
Payments for goods and services	<u>(160,601)</u>

**Net Cash Used in Operating Activities** (261,332)

**Net Change in Cash** (261,332)

Cash - beginning of the year 352,004

**CASH - END OF THE YEAR** \$ 90,672

**Reconciliation of Operating Income to Net Cash Used in Operating Activities:**

Operating income	\$ 212,530
Change in assets and liabilities	
Prepaid expenses and other current assets	(468)
Due to Nassau County	80,206
Properties held for sale	(252,590)
Accounts payable and accrued liabilities	(34,076)
Note receivable	(69,000)
Accrued interest receivable	(3,163)
Deposit payable	9,058
Unearned grant revenue	<u>(203,829)</u>

**Net Cash Used in Operating Activities** \$ (261,332)

**Reconciliation to Cash, End of Year:**

Unrestricted cash	\$ 75,672
Restricted cash	<u>15,000</u>
	<u><u>\$ 90,672</u></u>

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Nassau County Land Bank Corporation (the “Corporation”) was formed to address the still lingering effects of the foreclosure crisis which has created pockets of blight in neighborhoods and communities in the County of Nassau, New York (the “County”). The Corporation is a not-for-profit corporation and a New York State Public Authority, organized pursuant to the New York State Land Bank Act (Article 16 of the Not-for-Profit Corporation Law). The Corporation was organized on June 20, 2016. The Corporation was authorized by the County, its sponsoring government, by Ordinance 87-2015, enacted by the Nassau County Legislature by unanimous affirmative vote on July 13, 2015 and approved on July 14, 2015 by the Nassau County Executive. The Corporation’s Board of Directors is comprised of individuals appointed by the County. The Corporation is a component unit of the County.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting***

The Corporation is reported as a special purpose government engaged in only business-type activities. Accordingly, its financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as promulgated by the Governmental Accounting Standards Board (“GASB”). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**B. *Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**C. *Cash and Cash Equivalents and Custodial Credit Risk***

For the purposes of the statement of cash flows, cash equivalents include cash in banks and on hand, certificates of deposit and highly liquid debt instruments with maturities of three months or less when acquired.

Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government entity may be unable to recover deposits.

At December 31, 2020, the Corporation’s cash book balance was \$90,672. The available bank balance at December 31, 2020 was \$91,272 in two different banks, of which all was covered by Federal deposit insurance.

**D. *Note Receivable***

During 2020, the Corporation sold property at 478 Uniondale Ave. The Corporation agreed to issue a note to the buyer for \$69,000. The note was originally due on March 5, 2021, and the terms of the extension are currently in negotiation. The interest rate is 5.5%. \$3,163 of interest was accrued as of December 31, 2020.

**E. *Due to Nassau County***

At December 31, 2020, the Corporation had a payable to the County, for \$14,701, related to salaries and other reimbursable expenses paid by the County on behalf of the Corporation. An additional \$88,000 was due to the County related to the proceeds of the sale of the two properties during 2020. The Land Bank and the County have an agreement that upon the sale of property, 50% of the net proceeds is due to the County.

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. *Prepaid Expenses***

Prepaid expenses represent payments made by the Corporation for which benefits extend beyond year-end. A current asset for the prepaid amounts is recorded at the time of purchase and an expense is reported in the year the goods or services are consumed.

**G. *Properties Held for Sale***

During the year ended December 31, 2020, the Corporation held titles of several properties that had been previously acquired. The Corporation intends to make improvements to the properties and return them to productive use on the County tax rolls. The properties are recorded at acquisition value. During the year ended December 31, 2020, the Corporation incurred acquisition and construction expenses related to properties of \$257,840 and sold two properties for a total of \$181,250, resulting in a gain of \$176,000. Based on the property agreements, 50% of the gain must be paid to Nassau County. Therefore, only \$88,000 was recorded as revenue for the Corporation for the year ended December 31, 2020. At December 31, 2020, the properties were valued at \$521,313.

**H. *Net Position Classifications***

In the financial statements, there are three possible classifications of net position:

- The Corporation did not report any investment in capital assets at December 31, 2020.
- The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or the liability will be liquidated with the restricted assets reported.
- The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment of capital assets or the restricted component of net position.

The Corporation's policy is to first utilize restricted, and then unrestricted resources in the conduct of its operations.

**I. *Classification of Revenues and Expenses***

Operating revenues and expenses generally result from the Corporation's principal purpose of acquiring distressed properties within the County with the goal of returning such properties to productive use on the County tax rolls. Operating revenues are generally associated with exchange transactions and include grant revenues that fund the Corporation's property acquisition and improvement, as well as gains on the sales of the improved properties. All other revenues are considered nonoperating.

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Revenue Recognition**

Per GASB, eligibility requirements may be stipulated by the provider and comprise one or more of the following:

- a. Required characteristics of recipients – the recipient has the characteristics specified by the provider.
- b. Time requirements – time requirements specified by the provider have been met. For example, the time period when the resources are required to be used has begun.
- c. Reimbursements – the provider offers resources on a reimbursement basis and the recipient has incurred allowable costs.
- d. Contingencies – the provider’s offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Purpose restrictions do not affect when a nonexchange transaction is recognized. Resources received with purpose restrictions are recognized as revenue and reported in restricted net position by the Corporation until the resources are used for the specified purpose.

The Corporation recognizes grant funding as revenue as eligible costs are incurred. Differences between the costs incurred on specific projects and the related receipts are reflected as grants receivable or as unearned grant revenue in the accompanying statement of net position.

**K. Income Taxes**

The Corporation is a not-for-profit corporation under Article 16 of New York State not-for-profit corporation law and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and New York State taxes. Accordingly, no income tax provision has been made.

**NOTE 3 – PROPERTIES HELD FOR SALE**

The Corporation’s activity related to properties held for sale during the year ended December 31, 2020 was as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Property Acquisitions and Improvements</u>	<u>Property Sales</u>	<u>Gain on Sale</u>	<u>Balance at End of Year</u>
2020	\$ 268,723	\$ 257,840	\$ 181,250	\$ 176,000	\$ 521,313

During the year ended December 31, 2020, the Corporation did not purchase any property.

In 2020, the Corporation sold two properties with a net book value of \$5,250. The proceeds from the sale amounted to \$181,250 resulting in a total gain on sale of \$176,000. Based on the property agreements, 50% of the gain must be paid to Nassau County. Therefore, \$88,000 was recorded as revenue for the Corporation for the year ended December 31, 2020.

**NOTE 4 – RESTRICTED NET POSITION**

The Corporation had \$15,000 in restricted net position as of December 31, 2020. This balance is restricted to use on rehabilitation, demolition, preservation or selling of a property acquired based on the grant agreement with the New York State Office of the Attorney General Land Bank.

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 – REVENUE CONCENTRATIONS**

The Corporation received 75% of its operating revenue from a grant from the New York State Office of the Attorney General for the year ended December 31, 2020. The remaining revenue is made up of sales of real property. 14% relates to the property at Henry Street and 11% for 478 Uniondale Ave.

**NOTE 6 – CONTINGENCIES**

The Corporation participates in various grant programs. These programs could be subject to financial and compliance audits and may be conducted in accordance with grantor requirements on a periodic basis. The amounts, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although the Corporation believes, based upon its review of current activity, the amount of such disallowances, if any, will be immaterial.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The County provides use of facilities to the Corporation at no charge. The Corporation has an Executive Director who is considered a County employee. The Corporation is responsible for all expenses related to their employment. The County requested reimbursement for salary and benefits of \$115,873 for the year ended December 31, 2020.

**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**

To the Board of Directors of the  
Nassau County 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 basic financial statements of the Nassau County Land Bank Corporation (the "Corporation"), a component unit of the County of Nassau, New York, as of and for the year ended December 31, 2020 as listed in the table of contents, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2020-001, that we consider to be a significant deficiency.

**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 determination of financial statement amounts. 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*.

## The Corporation's Response to the Finding

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Marko Paneth LLP". The signature is written in a cursive style and is positioned above a horizontal line.

New York, NY  
June 29, 2021

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2020**

**1. FINDING 2020-001: SEGREGATION OF DUTIES**

**Criteria:** The Corporation should maintain adequate segregation of duties over cash receipts in order to avoid the opportunity for material misstatement or fraud.

**Condition:** While evaluating the controls over cash receipts for proper design and implementation, we noted there was no evidence of another reviewer for the Corporation's cash receipts.

**Cause:** The Corporation has a small internal control structure and has experienced turnover in the executive director role during 2020.

**Effect:** The Corporation's internal controls over cash receipts leads to increased risk of improper recording or handling of cash receipts.

**Recommendation:** The Corporation should develop procedures for cash receipts, whereby someone other than the person receiving the funds should be reviewing the cash receipt recording. This could be accomplished by a Board member reviewing the cash receipts for the month and evidencing that review with their signature or by noting this review was performed during the monthly Board meetings.

**Management's Response:** The Nassau County Land Bank will implement and adopt policies and procedures designed to strengthen internal financial controls for cash receipts. The Land Bank has entered an agreement with Satty & Partners to monitor our internal control structure on an ongoing basis. The updated policies and procedures will reflect that the accounting firm has been retained to review the recording of the cash receipts and will provide the Board of Directors with a review or summary of the cash receipts and disbursement registers as well as the monthly Bank Statements at each meeting of the Board of Directors. The new procedures will include a provision that these financial reviews by the Board be acknowledged and recorded in the minutes of each Board meeting. The Land Bank will be implementing and adopting these new policies and procedures by December 31, 2021.