



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)

and

**Reports in Accordance with
*Government Auditing Standards***

December 31, 2024

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

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

and

Reports in Accordance with *Government Auditing Standards*

DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nassau County Land Bank Corporation
Hempstead, NY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nassau County Land Bank Corporation (the "Corporation"), a component unit of the County of Nassau, New York, which collectively comprise the statement of financial position as of December 31, 2024, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above, present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024, 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.

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 of America ("*Government Auditing Standards*"). 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 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 opinion. 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 5 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 March 28, 2025, 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.

CBIZ CPAs P.C.

New York, NY
March 28, 2025

NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2024

The following is a discussion and analysis of Nassau County Land Bank Corporation's (the "Corporation") financial performance for the year ended December 31, 2024. 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

- The Corporation's net position decreased to \$798,168 for the year ended December 31, 2024.
- Properties held for sale totaled \$433,312 as of December 31, 2024 and were recorded at the lower of cost or net realizable value. During the year ended December 31, 2024, the Corporation sold one property for \$315,000 for a loss of \$95,931.
- The Corporation held \$366,855 in unrestricted cash and \$15,000 in restricted cash at the end of the year 2024. The majority of this cash is from the sale of the property in 2024. The increase in cash was a result of cash received of \$315,000 for the property sale and other cash received for its grants and contributions being in excess of a payment due to Nassau County of \$150,834 for homes sold in prior years, expenditures made for additions to properties held for sale and other operating costs.
- Operating revenues in 2024 totaled \$45,303, which consisted of grant revenue of \$140,956, loss on sale of real property of (\$95,931) and \$278 in interest and other revenues. The decrease in revenue was a result of no new grant contracts awarded or new projects started in 2024 and loss on sale of real property.
- Operating expenses in 2024 totaled \$287,147, which consisted of salaries and employee benefits of \$130,741, professional fees of \$13,460, Insurance of \$9,029, impairment loss of \$114,035 and miscellaneous of \$19,882. The increase in expenses was a result of an impairment loss of \$114,035 on a property held for sale due its net realizable value falling below its cost.

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 statement presents 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, 2024

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, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> | <u>\$ Change</u> | <u>% Change</u> |
|---------------------|-------------------|---------------------|---------------------|-----------------|
| Current assets | \$ 854,004 | \$ 1,270,839 | \$ (416,835) | -33% |
| Total assets | <u>854,004</u> | <u>1,270,839</u> | <u>(416,835)</u> | <u>-33%</u> |
| Current liabilities | <u>55,836</u> | <u>230,827</u> | <u>(174,991)</u> | <u>-76%</u> |
| Net position | | | | |
| Restricted | 15,000 | 15,000 | - | 0% |
| Unrestricted | 783,168 | 1,025,012 | (241,844) | -24% |
| | <u>\$ 798,168</u> | <u>\$ 1,040,012</u> | <u>\$ (241,844)</u> | <u>-23%</u> |

Summary of Changes in Net Position

| | <u>2024</u> | <u>2023</u> | <u>\$ Change</u> | <u>% Change</u> |
|--------------------------------|-------------------|---------------------|---------------------|-----------------|
| Operating revenues | \$ 45,303 | \$ 243,842 | \$ (198,539) | -81% |
| Operating expenses | 287,147 | 177,230 | 109,917 | 62% |
| Operating (loss) income | <u>(241,844)</u> | <u>66,612</u> | <u>(308,456)</u> | <u>-463%</u> |
| Change in net position | (241,844) | 66,612 | (308,456) | -463% |
| Net position | | | | |
| Beginning of year | 1,040,012 | 973,400 | 66,612 | 7% |
| End of year | <u>\$ 798,168</u> | <u>\$ 1,040,012</u> | <u>\$ (241,844)</u> | <u>-23%</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 40 Main Street, Suite C, Hempstead, NY 11550.

NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2024

ASSETS

Current assets:

| | | |
|--------------------------|----|----------------|
| Unrestricted cash | \$ | 366,855 |
| Restricted cash | | 15,000 |
| Grant receivable | | 35,000 |
| Due from Nassau County | | 3,837 |
| Properties held for sale | | <u>433,312</u> |

| | | |
|-----------------------------|--|----------------|
| TOTAL CURRENT ASSETS | | <u>854,004</u> |
|-----------------------------|--|----------------|

LIABILITIES

Current liabilities:

| | | |
|---------------------------------------|--|--------------|
| Accounts payable and accrued expenses | | 14,488 |
| Due to Nassau County | | 32,290 |
| Deposit payable | | <u>9,058</u> |

| | | |
|----------------------------------|--|---------------|
| TOTAL CURRENT LIABILITIES | | <u>55,836</u> |
|----------------------------------|--|---------------|

NET POSITION

Restricted for:

| | | |
|-------------------------|--|----------------|
| Property rehabilitation | | 15,000 |
| Unrestricted | | <u>783,168</u> |

| | | |
|---------------------------|-----------|-----------------------|
| TOTAL NET POSITION | \$ | <u><u>798,168</u></u> |
|---------------------------|-----------|-----------------------|

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, 2024

| | |
|---|-------------------|
| OPERATING REVENUES: | |
| Grants | \$ 140,956 |
| Loss on sale of real property | (95,931) |
| Interest revenue | 264 |
| Other | <u>14</u> |
| TOTAL OPERATING REVENUES | <u>45,303</u> |
| OPERATING EXPENSES: | |
| Salaries and employee benefits | 130,741 |
| Professional fees | 13,460 |
| Insurance | 9,029 |
| Impairment loss | 114,035 |
| Miscellaneous | <u>19,882</u> |
| TOTAL OPERATING EXPENSES | <u>287,147</u> |
| OPERATING LOSS | <u>(241,844)</u> |
| CHANGE IN NET POSITION | (241,844) |
| NET POSITION - BEGINNING OF YEAR | <u>1,040,012</u> |
| NET POSITION - END OF YEAR | <u>\$ 798,168</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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|------------------|
| Receipts from grants and contributions | \$ 150,000 |
| Receipts from sale of property | 315,000 |
| Receipts from interest income | 264 |
| Receipts from other income | 14 |
| Payments for salaries and employee benefits | (108,686) |
| Payments for acquisitions of properties held for sale and improvements | (74,629) |
| Payments for goods and services | (48,959) |
| Payments for amounts due from sale of properties | <u>(150,834)</u> |

Net Cash Provided by Operating Activities 82,170

Net Change in Cash and Restricted Cash 82,170

Cash - beginning of the year 299,685

CASH - END OF THE YEAR \$ 381,855

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:

| | |
|---------------------------------------|-----------------|
| Operating loss | \$ (241,844) |
| Change in assets and liabilities | |
| Due to Nassau County | (122,232) |
| Due from Nassau County | (3,837) |
| Properties held for sale | 493,798 |
| Accounts payable and accrued expenses | (9,300) |
| Construction cost payable | (7,935) |
| Grant receivable | 9,044 |
| Retainage payable | <u>(35,524)</u> |

Net Cash Provided by Operating Activities \$ 82,170

Reconciliation to Cash and Restricted Cash, End of Year:

| | |
|-------------------|--------------------------|
| Unrestricted cash | \$ 366,855 |
| Restricted cash | <u>15,000</u> |
| | <u><u>\$ 381,855</u></u> |

**NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 Custodial Credit Risk*

For the purposes of the statement of cash flows, cash include cash in banks and on hand 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. On December 31, 2024, the Corporation’s cash book and bank balance was \$381,855. The available bank balance on December 31, 2024 was held at one bank under two separate ownership categories. Approximately \$111,000 exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits but was collateralized by securities held by the pledging financial institution.

D. *Due to or From Nassau County*

The total amount due from Nassau County, as of December 31, 2024 is \$3,837.

As of December 31, 2024, \$32,290 was due to the County for reimbursement of the Land Bank’s Executive Director salary.

E. *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.

NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. *Properties Held for Sale*

During the year ended December 31, 2024, 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 the lower of cost or net realizable value. One property is recorded at net realizable value as of December 31, 2024.

During the year ended December 31, 2024, the Corporation incurred acquisition and construction expenses related to properties of \$31,168. During the year ended December 31, 2024, the Corporation did not acquire any new property, but sold the 40 Cruikshank Avenue property. On December 31, 2024, the properties' acquisition costs plus improvements totaled \$547,347 with a lower cost or net realizable value of \$433,312.

G. *Net Position Classifications*

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

- The Corporation does not hold title to any capital assets used in operations, therefore no balance is reported for net investment in capital assets at December 31, 2024.
- 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.

H. *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 material revenues are considered nonoperating.

I. *Revenue Recognition*

The Corporation's revenue recognition policies consider certain eligibility requirements that may be stipulated by the provider and consider 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.

**NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

J. *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.

K. *New Accounting Principles*

The Corporation has adopted all of the current Statements of the GASB that are applicable during the year ended December 31, 2024. The implementation of the standards did not have an effect on the financial statements.

NOTE 3 – PROPERTIES HELD FOR SALE

The Corporation's activity related to properties held for sale during the year ended December 31, 2024 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>Loss on Sale</u> | <u>Impairment Loss</u> | <u>Balance at End of Year</u> |
|--------------------|---|---|---------------------------|-------------------------|----------------------------|-----------------------------------|
| 2024 | \$ 927,110 | \$ 31,168 | \$ 315,000 | \$ (95,931) | \$ (114,035) | \$ 433,312 |

In 2024, the Corporation sold one property with a net book value of \$410,931. The proceeds from the sale amounted to \$315,000, resulting in a loss of \$95,931. One property with costs of \$429,035 was determined to have a net realizable value of \$315,000 as of December 31, 2024 and an impairment loss of \$114,035 was recognized for the year ended December 31, 2024.

NOTE 4 – RESTRICTED NET POSITION

The Corporation had \$15,000 in restricted net position as of December 31, 2024. This balance is restricted to use on rehabilitation, demolition, preservation or selling of a property acquired.

NOTE 5 – REVENUE CONCENTRATIONS

All grant revenues received by the Corporation for the year ended December 31, 2024, were concentrated to two funders.

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.

**NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 his employment. The County requested reimbursement for salary and benefits of \$130,741 for the year ended December 31, 2024. A payment of \$150,834 was paid to Nassau County during the year ended December 31, 2024 for balances due in accordance with the Corporation's agreement with the County for real property sales in prior years. \$35,000 of the Corporation's grant income was provided by the County during the year ended December 31, 2024.

NOTE 8 – SUBSEQUENT EVENTS

The Corporation has evaluated events and transactions through March 28, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**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
Nassau County Land Bank Corporation
Hempstead, NY

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 (*Government Auditing Standards*), the 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, 2024 as listed in the table of contents, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated March 28, 2025.

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 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 were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses shown as item 2024-001 that we consider to be a material weakness.

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*.

The Corporation's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Corporation's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

CBIZ CPAs P.C.

New York, NY
March 28, 2025

**NASSAU COUNTY LAND BANK CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024**

FINANCIAL STATEMENT AUDIT FINDINGS:

FINDING 2024-001: Year-End Close

Criteria: The closing of the books and records of the Corporation should be completed prior to the auditor commencing fieldwork. This includes, among other things, ensuring all accrual adjustments for expenses and revenue are recorded properly.

Condition: Our audit procedures discovered numerous instances where an adjusting entry was needed to be proposed in order to properly report the financial statements of the Corporation.

Cause: Internal controls related to the review of the books and records were not properly designed and implemented to ensure all transactions were properly recorded.

Effect: The financial statements of the Corporation as presented to the auditor were not properly stated.

Recommendation: The Corporation should consider a documented review process of the year-end books and records which includes a review with the Corporation's executive director to ensure that all events, expenses, and related revenues are captured in the books and records.

Management's Response: The Nassau County Land Bank acknowledges the audit finding and is committed to enhancing our financial oversight processes. As part of our year-end closeout procedures, we will ensure that all general journal entries and other financial entries are properly reviewed and documented.

We recently onboarded a new accountant and are working to fully integrate them into our financial procedures. Additionally, we identified inconsistencies in record-keeping from our previous accounting group, which our new accountant has been addressing. Moving forward, we will implement a structured review and approval system to ensure that all financial entries are properly documented, regardless of any transitions in accounting vendors.