



**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, 2022**

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**  
**DECEMBER 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Nassau County Land Bank Corporation

### 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, 2022, and the related statements of net position, 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, 2022, 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. 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.

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### ***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:

- Express 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.

### ***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 4 and 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 May 31, 2023, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*Mayer Hoffman McCann CPAs*

New York, NY  
May 31, 2023

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
DECEMBER 31, 2022**

The following is a discussion and analysis of Nassau County Land Bank Corporation's (the "Corporation") financial performance for the fiscal year ended December 31, 2022. 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 increased to \$973,400 for the year ended December 31, 2022.
- Properties held for sale totaled \$706,274 as of December 31, 2022 and were recorded at the lower of cost or net realizable value. During the year ended December 31, 2022, the Corporation did not purchase or sell any property.
- The Corporation had \$441,075 in unrestricted and restricted cash at the end of the year 2022. Most of this cash is from the sale of properties in prior years.
- Operating revenues in 2022 totaled \$691,320, which consisted of the grant revenue of \$690,839 and \$481 in interest and other revenues. The increase in grant revenues is for costs funded by various grantors, including Nassau County, for the rehabilitation of the Corporation's various properties.
- Operating expenses increased from \$90,255 to \$165,107 because the executive director was on payroll for an entire year, as opposed to 2021, where the executive director was hired toward the middle of the year.

**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 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 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, 2022**

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 1,211,560	\$ 624,108	\$ 587,452	94%
<b>Total assets</b>	<u>1,211,560</u>	<u>624,108</u>	<u>587,452</u>	<u>94%</u>
Current liabilities	<u>238,160</u>	<u>176,921</u>	<u>61,239</u>	<u>35%</u>
Net position				
Restricted	15,000	15,000	-	0%
Unrestricted	<u>958,400</u>	<u>432,187</u>	<u>526,213</u>	<u>122%</u>
	<u>\$ 973,400</u>	<u>\$ 447,187</u>	<u>\$ 526,213</u>	<u>118%</u>

**Summary of Changes in Net Position**

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues	\$ 691,320	\$ 15,454	\$ 675,866	4373%
Operating expenses	<u>165,107</u>	<u>90,255</u>	<u>74,852</u>	<u>83%</u>
<b>Operating income (loss)</b>	<u>526,213</u>	<u>(74,801)</u>	<u>601,014</u>	<u>-803%</u>
<b>Change in net position</b>	526,213	(74,801)	601,014	-803%
Net position				
Beginning of year	<u>447,187</u>	<u>521,988</u>	<u>(74,801)</u>	<u>-14%</u>
End of year	<u>\$ 973,400</u>	<u>\$ 447,187</u>	<u>\$ 526,213</u>	<u>118%</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, 2022**

**ASSETS**

Current assets:	
Unrestricted cash	\$ 426,075
Restricted cash	15,000
Grant receivable	62,822
Prepaid expenses and other current assets	1,389
Properties held for sale	<u>706,274</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,211,560</u>

**LIABILITIES**

Current liabilities:	
Accounts payable and accrued expenses	18,900
Due to Nassau County	160,445
Deposit payable	9,058
Retainage payable	<u>49,757</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>238,160</u>

**NET POSITION**

Restricted for:	
Property rehabilitation	15,000
Unrestricted	<u>958,400</u>
<b>TOTAL NET POSITION</b>	<u>\$ 973,400</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, 2022**

<b>OPERATING REVENUES:</b>	
Grants	\$ 690,839
Interest revenue	2
Other	<u>479</u>
<b>TOTAL OPERATING REVENUES</b>	<u>691,320</u>
<b>OPERATING EXPENSES:</b>	
Salaries and employee benefits	122,565
Professional fees	26,850
Insurance	8,724
Miscellaneous	<u>6,968</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>165,107</u>
<b>OPERATING INCOME</b>	<u>526,213</u>
<b>CHANGE IN NET POSITION</b>	526,213
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>447,187</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 973,400</u></u>

**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, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from grants and contributions	\$ 628,017
Receipts from other income	480
Payments for salaries and employee benefits	(106,407)
Payments for acquisitions of properties held for sale and improvements	(464,408)
Payments for goods and services	<u>(45,749)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>11,933</u>
<b>Net Change in Cash</b>	11,933
Cash - beginning of the year	<u>429,142</u>
<b>CASH - END OF THE YEAR</b>	<u><u>\$ 441,075</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating income	\$ 526,213
Change in assets and liabilities	
Prepaid expenses and other current assets	1,469
Due to Nassau County	8,995
Properties held for sale	(514,166)
Accounts payable and accrued expenses	2,487
Grant receivable	(62,822)
Retainage payable	<u>49,757</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 11,933</u></u>
<b>Reconciliation to Cash, End of Year:</b>	
Unrestricted cash	\$ 426,075
Restricted cash	<u>15,000</u>
	<u><u>\$ 441,075</u></u>

**NASSAU COUNTY LAND BANK CORPORATION**  
**(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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.

On December 31, 2022, the Corporation’s cash book and bank balance was \$441,075. The available bank balance on December 31, 2022 was held at two different banks. Approximately \$138,000 exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits in one bank and was uncollateralized.

**D. *Due to Nassau County***

The total amount due to Nassau County, as of December 31, 2022 is \$160,445.

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. On December 31, 2022, this amount totaled \$144,287, and is the remaining amount due from a sale of property that closed during the year ended December 31, 2020.

As of December 31, 2022, \$16,158 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, 2022**

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

**F. *Properties Held for Sale***

During the year ended December 31, 2022, 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, 2022, the Corporation incurred acquisition and construction expenses related to properties of \$514,166 and the Corporation did not purchase or sell any property. On December 31, 2022, the properties acquisition costs plus improvements totaled \$706,274.

**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, 2022.
- 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.

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.

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

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.

**NOTE 3 – PROPERTIES HELD FOR SALE**

The Corporation's activity related to properties held for sale during the year ended December 31, 2022 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>
2022	\$ 192,108	\$ 514,166	\$ -	\$ -	\$ 706,274

During the year ended December 31, 2022, the Corporation did not purchase or sell any property.

**NOTE 4 – RESTRICTED NET POSITION**

The Corporation had \$15,000 in restricted net position as of December 31, 2022. 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.

**NOTE 5 – REVENUE CONCENTRATIONS**

The Corporation received 99% of its operating revenue from grants, which was concentrated among four funding sources, for the year ended December 31, 2022.

**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 \$122,565 for the year ended December 31, 2022. \$90,000 of the Corporation's grant income was provided by the County during the year ended December 31, 2022.

**NOTE 8 – SUBSEQUENT EVENTS**

The Corporation has evaluated events and transactions through May 31, 2023, 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

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, 2022 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 May 31, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses shown as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

***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*.

**Mayer Hoffman McCann CPAs**  
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### ***The Corporation's Response to Findings***

*Government Auditing Standards* requires 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.

*Mayer Hoffman McCann CPAs*

New York, NY  
May 31, 2023

**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

**FINANCIAL STATEMENT AUDIT FINDINGS:**

**1. FINDING 2022-001: Year-End Close**

**Criteria:** The books and records of the Corporation should be reconciled and closed within a reasonable time after year-end in order for the Board and management to have reliable and timely information to make appropriate decisions. Further, Public Authorities Law requires that the audit of the Corporation be completed within 90 days of year-end.

**Condition:** The year-end close of the Corporation's books and records was not completed until April 2023.

**Cause:** The Corporation was delayed in finalizing its contract with the accounting firm assisting with the close of its books and records.

**Effect:** The Corporation's books and records were not timely closed, and the audit report was not completed within the timeframe under Public Authorities Law.

**Recommendation:** The Corporation should adjust the timing of its procurement of the accounting firm assisting with the close of its books and records to ensure that the 90 day timeframe can be met in future years. Not only will the 90 day deadline be met, but the Board and management will have timely information as to the financial performance of the Corporation.

**Management's Response:** We agree with the finding and have already ensured that our contractual accountant has been procured for assistance in the close out of the 2023 financial statements. The reason why there was a delay in procurement was due to unforeseen circumstances, out of the Corporation's control. The Corporation was being sponsored by the Housing Department of Nassau County. This allowed the Corporation to launch RFPs for goods and services, along with a host of different in-kind responsibilities that is described in their Ordinance. Due to unforeseen circumstances, the housing department had to shut down causing a lapse in having a Hosting agency for the Corporation to conduct business. This caused challenges in launching RFPs for services needed, as recommended in the findings. They also caused internal workings of the Corporation, including access to funds from grant awards. The Corporation is now being hosted by a different department, and this issue has been resolved.

**2. FINDING 2022-002: Bank Reconciliations**

**Criteria:** Bank reconciliations should be performed shortly after the end of each month to ensure that the cash balances of the Corporation are accurately stated.

**Condition:** Bank reconciliations were not completed until April 2023.

**Cause:** Internal controls were not properly designed to ensure timely reconciliation of the Corporation's cash accounts.

**Effect:** The Corporation does not have accurate and timely information related to its cash accounts, and the possibility of erroneous or fraudulent transactions is increased.

**Recommendation:** The Corporation should develop internal controls that ensure bank reconciliations are performed shortly after the end of the month.



**NASSAU COUNTY LAND BANK CORPORATION  
(A COMPONENT UNIT OF THE COUNTY OF NASSAU, NEW YORK)  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

***Management's Response:*** We agree with the finding and have already ensured that our contractual accountant has been procured for assistance in the close out of the 2023 financial statements. The reason why there was a delay in procurement was due to unforeseen circumstances, out of the Corporation's control. The Corporation was being sponsored by the Housing Department of Nassau County. This allowed the Corporation to launch RFPs for goods and services, along with a host of different in-kind responsibilities that is described in their Ordinance. Due to unforeseen circumstances, the housing department had to shut down causing a lapse in having a Hosting agency for the Corporation to conduct business. This caused challenges in launching RFPs for services needed, as recommended in the findings. They also caused internal workings of the Corporation, including access to funds from grant awards. The Corporation is now being hosted by a different department, and this issue has been resolved.