

**BROOME COUNTY LAND
BANK CORPORATION**

*(Component Unit of the County of Broome, New York)
Basic Financial Statements for the Years Ended
December 31, 2023 and 2022 and
Independent Auditors' Reports*

BROOME COUNTY LAND BANK CORPORATION
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Years Ended December 31, 2023 and 2022

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DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Broome County Land Bank Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Broome County Land Bank Corporation (the "Corporation"), a component unit of the County of Broome, New York, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the Corporation as of December 31, 2023 and 2022, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of the Corporation for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on the statements on March 21, 2023.

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 GAS 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 GAS, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Corporation Investments is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Corporation Investments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024 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 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.

Drescher & Malecki, LLC

March 19, 2024

BROOME COUNTY LAND BANK CORPORATION
(An Enterprise Fund of the County of Broome, New York)
Management's Discussion and Analysis
Year Ended December 31, 2023

As management of the Broome County Land Bank Corporation (the "Corporation"), an enterprise fund of the County of Broome, New York (the "County"), we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Corporation's financial statements, which follow this narrative.

Financial Highlights

- Total assets of the Corporation exceeded its liabilities at December 31, 2023 and 2022 by \$1,598,894 and \$1,187,113, respectively.
- The Corporation's net position increased by \$411,781 and \$197,057 during the years ended December 31, 2023 and 2022, respectively.
- The Corporation's total assets are comprised primarily of grant proceeds received from the Community Revitalization Initiatives ("CRI") grant program funded by the New York State ("NYS") Office of the Attorney General. The NYS Office of the Attorney General awarded the Corporation four grants. The first grant, a capacity building grant, in the amount of \$150,000 had a 12-month term commencing December 1, 2013 through November 30, 2014. The second grant in the amount of \$805,401 originally had a 24-month term commencing January 1, 2015 through December 31, 2016 but was extended through December 31, 2017. The third grant in the amount of \$650,870 had a 24-month term commencing on January 10, 2017 through December 31, 2018 which was extended to June 30, 2019. The fourth grant in the amount of \$1,200,000 has a 24-month term commencing on January 1, 2019 through December 31, 2020, which has been extended indefinitely, until the remaining funds have been spent. The Corporation utilizes the grant funding to fulfill the CRI grant initiatives.
- The Corporation was also awarded \$2,300,000 through the American Rescue Plan Act ("ARPA"), ending December 31, 2025, provided by the City of Binghamton, New York (the "City") and Broome County, New York (the "County"). The City and the County provided \$2,000,000 and \$300,000, respectively, of ARPA funding to the Corporation. In addition, the County awarded \$1,000,000 in Community Development Block Grant ("CDBG") Housing Rehabilitation Program funding to the Corporation.
- The Corporation executed an administrative services agreement with the County where the County will fund staffing positions and provide administrative services for the Corporation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of two components: 1) financial statements, and 2) notes to the financial statements.

Corporation financial statements—The *statements of net position* present information on 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 is improving or deteriorating.

The *statements of revenues, expenses, and changes in net position* present information showing how the Corporation’s net position changed during the two most recent fiscal years. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Corporation financial statements can be found on pages 8-10 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents the Schedule of Corporation Investments as supplementary information on page 16 of this report.

Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the Corporation, assets exceed liabilities by \$1,598,894 at December 31, 2023, as compared to \$1,187,113 at December 31, 2022. Table 1, shown below, presents the condensed statements of net position for the Corporation at December 31, 2023 and December 31, 2022.

Table 1—Condensed Statements of Net Position

	December 31,	
	2023	2022
Current assets	\$ 1,657,106	\$ 1,595,950
Noncurrent assets	842,540	542,623
Total assets	<u>2,499,646</u>	<u>2,138,573</u>
Current liabilities	900,752	951,460
Total liabilities	<u>900,752</u>	<u>951,460</u>
Net position	<u>\$ 1,598,894</u>	<u>\$ 1,187,113</u>

The Corporation’s net position, \$1,598,894 and \$1,187,113 at December 31, 2023 and 2022, respectively, represents unrestricted net position, for which resources are not restricted for any project or other purpose.

At December 31, 2023, total assets were \$2,499,646 compared to \$2,138,573 at December 31, 2022. The largest asset held by the Corporation at December 31, 2023 and December 31, 2022 represents cash and cash equivalents (including restricted cash and cash equivalents) of \$1,315,468 and \$1,595,950, respectively. The Corporation also reported assets held for sale as a noncurrent asset in the amount of \$842,540 and \$542,623 at December 31, 2023 and 2022, respectively.

Total liabilities at December 31, 2023 were \$900,752 compared to \$951,460 at December 31, 2022. The largest portion of the liabilities was unearned revenue, related to unspent ARPA funds, totaling \$850,148 and \$951,460 at December 31, 2023 and 2022, respectively.

During the current year, net position increased \$411,781 from the prior fiscal year for an ending net position of \$1,598,894. The statements of revenues, expenses, and changes in net position present revenues earned and expenses incurred by the Corporation. Table 2, shown below, presents the condensed statements of revenues, expenses, and changes in net position for the years ended December 31, 2023 and 2022.

Table 2—Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended December 31,	
	2023	2022
Operating revenues	\$ 1,073,270	\$ 540,843
Operating expenses	<u>661,489</u>	<u>343,786</u>
Change in net position	411,781	197,057
Net position—beginning	<u>1,187,113</u>	<u>990,056</u>
Net position—ending	<u>\$ 1,598,894</u>	<u>\$ 1,187,113</u>

Total revenues for the years ended December 31, 2023 and 2022 were \$1,073,270 and \$540,843, respectively. Revenues for the years ended December 31, 2023 and 2022 consisted of \$969,563 (90.3 percent) and \$443,815 (82.1 percent), respectively, of grant revenues, and \$102,754 and \$97,017, respectively, of in-kind grant funding from Broome County and other miscellaneous revenues.

A summary of sources of revenues for the years ended December 31, 2023 and December 31, 2022 is presented below in Table 3.

Table 3—Operating Revenues

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Grant revenue	\$ 969,563	\$ 443,815	\$ 525,748	118.5
In-kind grant—Broome County	102,754	97,017	5,737	5.9
Miscellaneous revenues	953	11	942	8563.6
Total revenues	<u>\$ 1,073,270</u>	<u>\$ 540,843</u>	<u>\$ 532,427</u>	98.4

Total expenses for the years ended December 31, 2023 and 2022 were \$661,489 and \$343,786, respectively. Expenses for the years ended December 31, 2023 and 2022 primarily consisted of \$372,222 (56.3 percent) and \$213,837 (39.5 percent), respectively, of loss on sale of property, and \$102,754 (15.5 percent) and \$97,017 (28.2 percent), respectively, of salaries and benefits administered by Broome County as an in-kind contribution. During the years ended December 31, 2023 and 2022, the Corporation also reported contractual and other costs totaling \$186,513 and \$32,932, respectively.

Total increase in expenses for the year ended December 31, 2023 is due to increased sales and activities causing contractual costs to increase, coupled with additional losses on the sale of properties.

A summary of expenses for the years ended December 31, 2023 and December 31, 2022 is presented below in Table 4.

Table 4—Operating Expenses

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Loss on sale of property	\$ 372,222	\$ 213,837	\$ 158,385	74.1
Salaries and benefits - in kind—Broome County	102,754	97,017	5,737	5.9
Contractual and other costs	186,513	32,932	153,581	466.4
Total expenses	<u>\$ 661,489</u>	<u>\$ 343,786</u>	<u>\$ 317,703</u>	92.4

Economic Factors

The main source of project funding for NYS land banks, including the Corporation, remains grant monies through the CRI and other granting agencies. The Corporation has \$850,148 of ARPA funds that have been received but have not yet been spent as of December 31, 2023. The Corporation also receives an administrative in-kind grant from the County to cover its administrative expenses for 2023. The grant allowed the Corporation to utilize more of its ARPA and CRI grant funds for its projects. The Corporation will continue to look for funding opportunities to further its mission to foster community and economic development by acquiring, holding, managing, developing and marketing distressed, vacant, abandoned and under- utilized properties. Each year, the Corporation will evaluate opportunities for investment of its resources in furthering this mission.

Requests for Information

This financial report is designed to provide a general overview of the Corporation’s finances for all those with an interest in the Corporation’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Broome County Land Bank Corporation, County Office Building, 5th Floor, P.O. Box 1766, Binghamton, New York 13902-1766.

BASIC FINANCIAL STATEMENTS

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BROOME COUNTY LAND BANK CORPORATION
Statements of Net Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 465,320	\$ 644,490
Restricted cash and cash equivalents	850,148	951,460
Intergovernmental receivable	341,638	-
Total current assets	1,657,106	1,595,950
Noncurrent assets:		
Assets held for sale	842,540	542,623
Total noncurrent assets	842,540	542,623
Total assets	\$ 2,499,646	\$ 2,138,573
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 50,604	\$ -
Unearned revenue	850,148	951,460
Total liabilities	900,752	951,460
NET POSITION		
Net position:		
Unrestricted	1,598,894	1,187,113
Total net position	\$ 1,598,894	\$ 1,187,113

The notes to the financial statements are an integral part of these statements.

BROOME COUNTY LAND BANK CORPORATION
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues:		
Grant income	\$ 969,563	\$ 443,815
In-kind grant—Broome County	102,754	97,017
Miscellaneous revenue	953	11
Total operating revenue	1,073,270	540,843
Operating expenses:		
Salaries and benefits—in-kind—Broome County	102,754	97,017
Contracted services and professional fees	149,646	18,869
Insurance	10,805	6,679
Office and computer	21,994	3,027
Construction and demolition	4,068	4,357
Loss on sale of property	372,222	213,837
Total operating expenses	661,489	343,786
Change in net position	411,781	197,057
Net position—beginning	1,187,113	990,056
Net position—ending	\$ 1,598,894	\$ 1,187,113

The notes to the financial statements are an integral part of these statements.

BROOME COUNTY LAND BANK CORPORATION
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Grants and fees	\$ 629,367	\$ 1,304,158
Miscellaneous income	953	11
Sale of property	218,106	97,765
Payments for acquisitions	(890,245)	(453,535)
Payment of contractual expenses	<u>(238,663)</u>	<u>(32,932)</u>
Net cash (used for) provided by operating activities	<u>(280,482)</u>	<u>915,467</u>
Cash and cash equivalents (including restricted cash and cash equivalents)—beginning	<u>1,595,950</u>	<u>680,483</u>
Cash and cash equivalents (including restricted cash and cash equivalents)—ending	<u>\$ 1,315,468</u>	<u>\$ 1,595,950</u>
Reconciliation of change in net position to net cash provided by operating activities:		
Change in net position	\$ 411,781	\$ 197,057
Adjustments to reconcile operating income to net cash (used for) provided by operating activities:		
Changes in:		
Intergovernmental receivables	(341,638)	3,000
Assets held for sale	(299,917)	(141,933)
Accounts payable	50,604	-
Unearned revenue	<u>(101,312)</u>	<u>857,343</u>
Net cash (used for) provided by operating activities	<u>\$ (280,482)</u>	<u>\$ 915,467</u>
Supplemental schedule of cash flow information:		
In-kind grant—Broome County	<u>\$ 102,754</u>	<u>\$ 97,017</u>
Salaries and benefits	<u>\$ 102,754</u>	<u>\$ 97,017</u>

The notes to the financial statements are an integral part of these statements.

BROOME COUNTY LAND BANK CORPORATION
Notes to the Financial Statements
Years Ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Broome County Land Bank Corporation (the “Corporation”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation’s accounting policies are described below.

Financial Reporting Entity

The Corporation is an enterprise fund of the County of Broome, New York (the “County”) and was established in June 2013 to foster economic and community development by acquiring, holding, managing, developing and marketing distressed, vacant, abandoned and underutilized properties in Broome County, New York (the “County”) through the use of funds and powers granted under the New York State (“NYS”) Community Revitalization Initiative Program (“CRI”) administered by the NYS Office of the Attorney General. The Corporation was formed by the County within the parameters of the New York Land Bank Act, under Article 16 of the New York Not-For-Profit Corporation Law.

Measurement Focus

Management has elected to present the Corporation as a stand-alone business-type activity (proprietary fund). Accordingly, the activities of the Corporation are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Basis of Presentation

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation’s accounting policies are described below.

Basis of Accounting

The accounts of the Corporation are maintained on the accrual basis of accounting. As such, revenues are recognized in the period in which they are incurred. The significant accounting and reporting policies used by the Corporation are described below to enhance the usefulness and understandability of the financial statements.

Assets, Liabilities, Deferred Outflows/Inflows of Resources

Cash and Cash Equivalents—Cash and cash equivalents include cash on hand, cash on deposit with financial institutions and other highly liquid investments with maturities at the date of purchase of three months or less and are carried at cost, which approximates fair value.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represents amounts to support unearned revenue.

Intergovernmental Receivables—Intergovernmental receivables include amounts due from other entity's for grant reimbursable expenses incurred by the Corporation. The Corporation reported receivables of \$341,638 and \$0 at December 31, 2023 and 2022, respectively.

Assets Held for Sale—Properties acquired by the Corporation for sale are recorded at the carrying amount upon acquisition, plus any related capital improvement costs. Mark-to-market adjustments are made upon sale of individual properties.

Unearned revenues—Certain cash receipts have not met the revenue recognition criteria for financial reporting purposes. At December 31, 2023 and 2022, the Corporation reported unearned revenues of \$850,148 and \$951,460, respectively. The Corporation received cash in advance related to American Rescue Plan Act ("ARPA") and NYS Office of the Attorney General grants, but has not performed the services, and therefore recognizes a liability.

Revenues and Expenses

Operating Revenues and Expenses—The Corporation's statements of revenues, expenses, and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the Corporation's principal ongoing operations. Operating expenses include the cost of services provided, administrative expenses, and losses on sale of properties. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Grant Revenue—The Corporation receives grant revenue from New York State and other agencies. Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. The Corporation reported \$969,563 and \$443,815 of grant revenue for the years ended December 31, 2023 and 2022, respectively. Also included in total grant revenue is in-kind grant funding from Broome County to provide administrative support.

Tax Status—The Corporation is incorporated exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code ("IRC"), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). All applicable tax forms for the Corporation have been filed and accepted by the Internal Revenue Service through the year ended December 31, 2022. The tax years ended December 31, 2022, 2021 and 2020 are still open to audit for federal purposes.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2023, the Corporation implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. A portion of GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statements No. 94, 96, and a portion of 99 did not have a material impact on the Corporation’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Corporation has not completed the process of evaluating the impact that will result from adopting the remainder of GASB Statement No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024; and No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025. The Corporation is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, and 102 will have on its financial position and results of operations when such statements are adopted.

2. CASH AND CASH EQUIVALENTS

The Corporation’s investment policies are governed by New York State statutes. All deposits are carried at fair value. Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit not covered by Federal deposit insurance (“FDIC”). The Corporation has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2023 as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 250,000	\$ 250,000
Uninsured:		
Collateral held by pledging bank's agent in entity's name	<u>1,065,468</u>	<u>1,065,468</u>
Total	<u>\$ 1,315,468</u>	<u>\$ 1,315,468</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. At December 31, 2023, the Corporation’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Corporation’s name.

Restricted Cash and Cash Equivalents—The Corporation reports restricted cash and cash equivalents of \$850,148 to support unearned revenue.

3. RECEIVABLES

Receivables—Represents amounts owed to the Corporation for grant reimburseable expenses incurred by the Corporation. The Corporation reported receivables of \$341,638 and \$0 at December 31, 2023 and 2022, respectively.

4. ASSETS HELD FOR SALE

Assets held for sale consists of the following components at December 31, 2023 and 2022:

2023					
Property Held for Sale 1/1/2023	Costs Increasing Basis of Property	Basis of Property Sold	Property Held for Sale 12/31/2022	Amount Received	Loss on Sale of Property
\$ 542,623	\$ 890,245	\$ (590,328)	\$ 842,540	\$ 218,106	\$ (372,222)

2022					
Property Held for Sale 1/1/2022	Costs Increasing Basis of Property	Basis of Property Sold	Property Held for Sale 12/31/2022	Amount Received	Loss on Sale of Property
\$ 400,690	\$ 453,535	\$ (311,602)	\$ 542,623	\$ 97,765	\$ (213,837)

During the year ended December 31, 2023, the Corporation purchased nineteen properties from various municipalities for a total of \$7,514. Demolition and rehabilitation costs of \$890,245 were incurred on all properties held by the Corporation. During the year ended December 31, 2023, the Corporation sold seven properties to unrelated parties for a total of \$218,106. The carrying costs of such properties was \$590,328. The remaining basis of the property held for resale is reflected in assets in the accompanying statements of net position in the amount of \$842,540 at December 31, 2023.

During the year ended December 31, 2022, the Corporation purchased six properties from various municipalities for a total of \$6,002. Demolition and rehabilitation costs of \$453,535 were incurred on all properties held by the Corporation. During the year ended December 31, 2022, the Corporation sold eight properties to unrelated parties for a total of \$97,765. The carrying costs of such properties was \$311,602. The remaining basis of the property held for resale is reflected in assets in the accompanying statements of net position in the amount of \$542,623 at December 31, 2022.

5. IN-KIND GRANT – BROOME COUNTY

The County, through budget resolution, provided administrative support for salaries and benefits to the Corporation of \$102,754 and \$97,017 for the years ended December 31, 2023 and 2022, respectively.

6. CONTINGENCIES

In the normal course of operations, the Corporation receives grant funds from State and other agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenses resulting from such audits could become a liability to the Corporation. While the amount of any expense that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

7. NET POSITION

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

- Net investment in capital assets consists of capital assets, net off accumulated depreciation/amortization, reduced by the outstanding balances of debt, if any, that are attributable to the acquisition, construction, or improvement of those assets. The Corporation did not report net investment in capital assets at December 31, 2023.
- Restricted net position is the net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions. The Corporation did not report restricted net position as of December 31, 2023.
- Unrestricted component of net position is the net investment of capital assets and all other net position that does not meet the definition of restricted.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 19, 2024, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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SUPPLEMENTARY INFORMATION

BROOME COUNTY LAND BANK CORPORATION
Schedule of Corporation Investments
Year Ended December 31, 2023

Annual Investment Report - §2925(6) of Public Authorities Law of the State of New York requires that each public authority must annually prepare an investment report which shall include (a) investment guidelines, (b) amendments to such guidelines since the last investment report, (c) an explanation of the investment guidelines and amendments, (d) results of the annual independent audit, (e) the investment income record of the corporation, and (f) a list of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report.

- a. Investment guidelines—The Corporation’s investment policies are governed by State statutes. All investments are maintained in bank deposit accounts which are federally insured. The Corporation’s deposits are held at quality institutions.
- b. Amendments to guidelines—None.
- c. Explanation of guidelines and investments—These guidelines restrict investment of the Corporation’s funds to deposits in federally insured banks. The Corporation has not made any amendments to its investment policy.
- d. Results of the annual independent audit—The independent auditors have issued an unmodified opinion on the Corporation’s financial statements for the year ended December 31, 2023.
- e. Investment income (loss) record—The Corporation reported \$0 of investment income for the year ended December 31, 2023.
- f. List of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report—No such fees, commissions, or other charges were paid during the year ended December 31, 2023.

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DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



**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
Broome County Land Bank Corporation:

We have audited 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, the financial statements of the business-type activities of the Broome County Land Bank Corporation (the "Corporation"), a component unit of the County of Broome, New York, which comprise the statement of net position as of December 31, 2023, 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 19, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brecher & Malicki LLC

March 19, 2024