

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of
the County of Monroe, New York)

Financial Statements

December 31, 2025

(With Independent Auditors' Report Thereon)

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Monroe County Land Bank Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Monroe County Land Bank Corporation (the Corporation) (a blended component unit of the County of Monroe, New York) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2026 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, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 11, 2026

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)
Statement of Financial Position
December 31, 2025

<u>Assets</u>	
Current assets:	
Cash and equivalents	\$ 7,681
Grant receivable	6,534
Prepaid expenses	<u>10</u>
Total assets	<u>\$ 14,225</u>
 <u>Liabilities and Net Assets</u>	
Current liabilities - accounts payable	14,225
Net assets without donor restrictions	<u>-</u>
Total liabilities and net assets	<u>\$ 14,225</u>

See accompanying notes to financial statements.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)
Statement of Activities
Year ended December 31, 2025

Revenue - grant income	<u>\$ 12,059</u>
Expenses:	
Program services	5,525
Management and general	<u>6,534</u>
Total expenses	<u>12,059</u>
Change in net assets without donor restrictions	-
Net assets without donor restrictions at beginning of year	<u>-</u>
Net assets without donor restrictions at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)
Statement of Functional Expenses
Year ended December 31, 2025

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
Expenses:			
Insurance	\$ 3,525	-	3,525
Dues and subscriptions	2,000	-	2,000
Professional services	-	6,307	6,307
Travel	-	227	227
Total expenses	<u>\$ 5,525</u>	<u>6,534</u>	<u>12,059</u>

See accompanying notes to financial statements.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)
Statement of Cash Flows
Year ended December 31, 2025

Cash flows from operating activities:	
Grant and contributions receipts	\$ 13,216
Cash paid to suppliers	<u>(5,535)</u>
Net cash provided by operating activities	7,681
Cash and equivalents at beginning of year	<u>-</u>
Cash and equivalents at end of year	<u><u>\$ 7,681</u></u>
Reconciliation of change in net assets without donor restrictions to net cash provided by operating activities:	
Change in net assets without donor restrictions	-
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities - changes in:	
Grant receivable	(6,534)
Prepaid expenses	(10)
Accounts payable	<u>14,225</u>
Net cash provided by operating activities	<u><u>\$ 7,681</u></u>

See accompanying notes to financial statements.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)

Notes to Financial Statements

December 31, 2025

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

The Monroe County Land Bank Corporation (the Corporation) was incorporated July 31, 2024 under Article 16 of the New York State Not-for-Profit Corporation Law. The Corporation was formed to combat community deterioration by facilitating the return of vacant, abandoned, and tax-delinquent properties to productive use in order to eliminate harms and liabilities caused by such properties. The Corporation commenced operations in earnest during July 2025.

(b) Reporting Entity

The Corporation is a nonprofit corporation and a blended component unit of the County of Monroe, New York (the County). The financial activities of the Corporation are combined with the financial activities of the County and other component units, which in turn constitute the entire reporting entity for the County. The Corporation is a component unit of the County, but the Corporation is legally separate from the County. The Directors of the Corporation include several employees of the County.

(c) Basis of Accounting

The Corporation uses the accrual method of accounting and, accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

(d) Use of Estimates

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

(e) Basis of Presentation

The Corporation's financial statements are presented in accordance with the provisions of (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." As a result, the Corporation reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Corporation's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Corporation or are required to be held in perpetuity. The Corporation only had net assets without donor restrictions in 2025.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Cash and Equivalents

For the purposes of reporting cash flows, cash and equivalents include deposits and certificates of deposit with original maturities of three months or less. The Corporation maintains cash and equivalents at financial institutions which periodically may exceed federally insured limits. At December 31, 2025, the Corporation had no amounts in excess of the federally insured limits.

(g) Receivables and Bad Debts

The Corporation's accounts receivable are primarily derived from grant revenue. At each statement of financial position sheet date, the Corporation recognizes an expected allowance for credit losses.

The Corporation has elected to apply the practical expedient and the accounting policy election introduced by Accounting Standards Update (ASU) 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. These elections are applied consistently to all current accounts and current contract assets arising from transactions accounted for under ASC Topic 606, Revenue from Contracts with Customers.

Under the practical expedient, the Corporation assumes that current economic conditions as of the statement of financial position date remain unchanged for the remaining life of the applicable assets. As a result, the Corporation does not develop reasonable and supportable forecasts of future economic conditions for these assets.

Additionally, under the accounting policy election, the Corporation considers cash collection activity occurring after the statement of financial position date but before the date the financial statements are available to be issued when estimating expected credit losses. Management has determined that an allowance for credit losses was not deemed necessary as of December 31, 2025.

The Corporation writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in income. There were no write-offs for the year ended December 31, 2025.

(h) Contributed Services and Grants

During the year ended December 31, 2025, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Corporation.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Contributed Services and Grants, Continued

The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

The Corporation reports donor restricted contributions as unrestricted support provided the restrictions are met in the same year the contributions are received.

Unrestricted contributions are recognized when promises are made.

(i) Revenue Recognition

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for these goods or services. The Corporation utilizes a five-step framework as identified in ASU No. 2014-09. The primary source of revenue from contracts with customers is property sales. Those sales contain a single delivery element and revenue is recognized at a single point in the time when ownership, risks and rewards transfer. There are no related contract assets or liabilities.

(j) Functional Expenses

The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Corporation are reported as expenses of those functional areas. A portion of costs that benefit multiple functional areas (indirect costs) have been allocated across programs, management and general, and fundraising expenses. Expenses were allocated by function using a reasonable and consistent approach that was primarily based on the costs attributable by function based on estimated percentage of time and effort, square footage, or full-time equivalent.

(k) Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Corporation qualifies for the charitable contributions deduction under Section 170(b)(1)(A) and has been classified as an entity other than a private foundation under Section 509(a)(2). However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income. The Corporation does not believe that it has any uncertain tax positions with respect to these or other matters and has not recorded any unrecognized tax benefits or liability for penalties or interest.

MONROE COUNTY LAND BANK CORPORATION
(A Blended Component Unit of the County of Monroe, New York)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(m) New Accounting Policies

At the beginning of the year ended December 31, 2025, the Corporation adopted Accounting Standards Update 2025-05, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets, which allows: (1) the election of a practical expedient that assumes that current conditions as of the statement of financial position date do not change for the remaining life of the asset and (2) an accounting policy election to consider collection activity after the statement of financial position date when estimating expected credit losses. The adoption of this Standard was applied prospectively and did not have a material impact on the Corporation's financial statements.

(2) Liquidity

The Corporation has approximately \$14,215 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$7,681 of cash and equivalents and \$6,534 of grant receivable. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2025 statement of financial position.

(3) Grant Revenue

The Corporation had the following grant activity as of December 31, 2025:

Land bank initiative - grant income	\$ <u>12,059</u>
Revenue recognized	12,059
Cash received	<u>(5,525)</u>
Grant receivable	\$ <u>6,534</u>

**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**

The Board of Directors
Monroe 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 financial statements of the Monroe County Land Bank Corporation (the Corporation) (a blended component unit of the County of Monroe, New York) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 11, 2026.

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 Corporation'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.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 11, 2026

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors
Monroe County Land Bank Corporation
Report on Investment Compliance

Opinion on Investment Compliance

We have audited the Monroe County Land Bank Corporation (the Corporation), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law and Title 2 Section 201.3 of the New York Codes, Rules and Regulations (the investment guidelines) that could have a direct and material effect on its investments for the year ended December 31, 2025.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended December 31, 2025.

Basis for Opinion on Investment Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance with the investment guidelines. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Corporation's investments.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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, Government Auditing Standards and the investment guidelines, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of the investment guidelines as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the investment guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the investment guidelines on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of investment guidelines will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the investment guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the investment guidelines. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 11, 2026