

DUTCHESS COUNTY-POUGHKEEPSIE LAND
BANK CORPORATION

Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Dutchess County-Poughkeepsie Land Bank Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dutchess County-Poughkeepsie Land Bank Corporation (the Corporation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years 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 2024, and the change in its net assets and its 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. 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.

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' 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 generally accepted 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION
 Statements of Financial Position
 December 31, 2025 and 2024

	<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:			
Cash and equivalents		\$ 455,113	394,741
Grants receivable		270,271	40,593
Prepaid expenses		82	32
Property held for sale		<u>333,873</u>	<u>-</u>
Total assets		<u>\$ 1,059,339</u>	<u>435,366</u>
<u>Liabilities and Net Assets</u>			
Current liabilities - accounts payable		3,757	-
Long-term debt		<u>300,000</u>	<u>-</u>
Total liabilities		303,757	-
Net assets:			
Without donor restrictions		333,873	-
With donor restrictions		<u>421,709</u>	<u>435,366</u>
Total net assets		<u>755,582</u>	<u>435,366</u>
Total liabilities and net assets		<u>\$ 1,059,339</u>	<u>435,366</u>

See accompanying notes to financial statements.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

Statements of Activities

Year ended December 31, 2025

with comparative total for 2024

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	
			<u>2025</u>	<u>2024</u>
Revenue:				
Grants	\$ -	483,341	483,341	227,507
Interest income	-	7,259	7,259	10,161
Net assets released from restrictions	<u>504,257</u>	<u>(504,257)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>504,257</u>	<u>(13,657)</u>	<u>490,600</u>	<u>237,668</u>
Expenses:				
Salaries and benefits	95,000	-	95,000	88,489
Payroll taxes and benefits	20,262	-	20,262	17,299
Workers' compensation	1,143	-	1,143	1,161
Consulting	30,500	-	30,500	4,050
Dues and subscriptions	3,190	-	3,190	3,340
Legal and professional	7,252	-	7,252	7,296
Insurance	4,233	-	4,233	2,596
Travel	1,448	-	1,448	2,166
Training and conferences	700	-	700	610
Rent	600	-	600	-
Office expense	6,056	-	6,056	5,259
Environmental	-	-	-	7,450
Marketing and advertising	-	-	-	100
Total expenses	<u>170,384</u>	<u>-</u>	<u>170,384</u>	<u>139,816</u>
Change in net assets	333,873	(13,657)	320,216	97,852
Net assets at beginning of year	<u>-</u>	<u>435,366</u>	<u>435,366</u>	<u>337,514</u>
Net assets at end of year	<u>\$ 333,873</u>	<u>421,709</u>	<u>755,582</u>	<u>435,366</u>

See accompanying notes to financial statements.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

Statements of Activities

Year ended December 31, 2024

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Grants	\$ -	227,507	227,507
Interest income	-	10,161	10,161
Net assets released from restrictions	<u>139,816</u>	<u>(139,816)</u>	<u>-</u>
Total revenue	<u>139,816</u>	<u>97,852</u>	<u>237,668</u>
Expenses:			
Salaries and benefits	88,489	-	88,489
Payroll taxes and benefits	17,299	-	17,299
Workers' compensation	1,161	-	1,161
Consulting	4,050	-	4,050
Dues and subscriptions	3,340	-	3,340
Legal and professional	7,296	-	7,296
Insurance	2,596	-	2,596
Travel	2,166	-	2,166
Training and conferences	610	-	610
Office expense	5,259	-	5,259
Environmental	7,450	-	7,450
Marketing and advertising	<u>100</u>	<u>-</u>	<u>100</u>
Total expenses	<u>139,816</u>	<u>-</u>	<u>139,816</u>
Change in net assets	-	97,852	97,852
Net assets at beginning of year	<u>-</u>	<u>337,514</u>	<u>337,514</u>
Net assets at end of year	<u><u>\$ -</u></u>	<u><u>435,366</u></u>	<u><u>435,366</u></u>

See accompanying notes to financial statements.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

Statements of Cash Flows

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 320,216	97,852
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities - changes in:		
Grants receivable	(229,678)	89,933
Prepaid expenses	(50)	(32)
Property held for sale	(333,873)	-
Accounts payable	<u>3,757</u>	<u>-</u>
Net cash provided by (used in) operating activities	(239,628)	187,753
Cash flows from financing activities - proceeds from long-term debt	<u>300,000</u>	<u>-</u>
Net change in cash and equivalents	60,372	187,753
Cash and equivalents at beginning of year	<u>394,741</u>	<u>206,988</u>
Cash and equivalents at end of year	<u>\$ 455,113</u>	<u>394,741</u>

See accompanying notes to financial statements.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

Notes to Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

The Dutchess County-Poughkeepsie Land Bank Corporation (the Corporation) was established in April 2021 to combat the problem of vacant and abandoned properties in Dutchess County (the County) and the City of Poughkeepsie (the City), New York and facilitate the return of vacant, abandoned and tax-delinquent properties to productive use through the use of funds and powers granted under the New York State (NYS) Community Revitalization Initiative Program (CRI) administered by the New York State Office of the Attorney General. The Organization was formed within the parameters of the New York Land Bank Act, under Section 402 of the New York Not-For-Profit Organization Law. The Corporation was awarded initial funding from Dutchess County in 2021.

(b) Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of American (U.S. GAAP). The Corporation reports information regarding its financial position and activities according to two classes of net assets: 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 and either expire by passage of time or can be fulfilled by actions of the Corporation.

(c) Estimates

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

(d) Cash and Equivalents

For purposes of reporting cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and equivalents.

(e) Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash accounts in financial institutions. The Corporation maintains financial instruments at financial institutions which periodically may exceed federally insured limits. At December 31, 2025 and 2024, the Corporation had \$87,561 and \$1,085, respectively, in excess of the federally insured limits.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Revenue Recognition and Receivables

Revenue from restricted grants, that are reimbursement grants, is recognized when the expenses are incurred under the terms of the grant with any amounts received in advance of the expenses incurred reported as deferred revenue and any expenses incurred before receipt of the revenue is recorded as grants receivable. Revenue from operating grants is generally recognized when received as restricted revenue. These grants are subject to review and audit by various funding sources. Adjustments, if any, are recognized in the year they are known. Management has determined that no allowance for doubtful accounts is needed as of December 31, 2025 and 2024, as grants were fully received subsequent to the respective years ended.

(g) Allocation of Expenses

The Corporation charges costs using the direct identification method where possible. However, certain costs have been allocated using various methods.

(h) Property Held for Sale

Property held for sale (land and property) is valued at cost at the date of acquisition or at estimated fair market value at the date of donation, plus costs incurred during the rehabilitation process.

(i) Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Corporation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Corporation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Corporation has taken no uncertain tax positions that require adjustment in its financial statements.

(j) 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.

(2) Liquidity

The Corporation has \$725,384 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$455,113 of cash and equivalents and \$270,271 of grants 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 date.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION

Notes to Financial Statements, Continued

(3) Long-term Debt

As of December 31, 2025, long-term debt consisted of a time note payable to M&T Bank in the amount of \$300,000. Interest only payments are due monthly (beginning January 18, 2026), at a rate of 6.5%, through the maturity date of June 18, 2027, at which time the principle balance is due. The note is collateralized by the assets of the Corporation.

(4) Functional Expenses

The Corporation provides services to the City and County related to foreclosed properties. All expenses related to providing these services have been allocated to program services with the exception of certain components within administrative expense and amounts included in property held for sale. Administrative expenses include salaries, benefits and related costs professional services, general insurance and travel and conferences. Program expenses include salaries, benefits and related costs and professional services. The allocation of expenses on a functional basis for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Program services	\$ 100,343	75,671
Support services -		
Management and general activities - administrative	<u>70,041</u>	<u>64,145</u>
	<u>\$ 170,384</u>	<u>139,816</u>

(5) Net Assets With Donor Restrictions

The Corporation entered into agreements with the County to obtain funding. The funding is to be used to carry out the activities of acquiring, renovating and selling affordable homes. Net assets with donor restrictions were \$421,709 and \$435,366 as of December 31, 2025 and 2024, respectively. Net assets of \$504,257 and \$139,816 were released from restriction for the years ended December 31, 2025 and 2024, respectively.

(6) Commitments and Contingencies

The Corporation is subject to audits and reviews of reimbursable costs by its various governmental agencies and other funding sources. The outcome of these audits and reviews may have the effect of retroactively increasing or decreasing revenue. In the event that a subsequent audit or review determines that an adjustment is required, the amount will be recognized in the period in which it becomes fixed and determinable. Management does not expect that such adjustments, if any, will be significant.

DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK CORPORATION
Notes to Financial Statements, Continued

(6) Commitments and Contingencies, Continued

The Corporation may take ownership of properties in distress and, as a result, the potential exists for the commitment of substantial additional costs to be incurred in order to sell the related properties.

(7) Lease

The Corporation rents office space for \$300 per month, under a lease term from November 1, 2025 through October 31, 2026, at which time, the lease converts to a month-to-month basis. Rents paid for the year ended December 31, 2025 amounted to \$600.