

## REQUIRED COMMUNICATIONS

March 13, 2023

Board of Directors  
Albany County Land Bank Corporation  
69 State Street  
Albany, New York

Dear Board Members:

We have audited the financial statements of the Albany County Land Bank Corporation (Land Bank) as of and for year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Land Bank are described in Note 1 to the financial statements. During 2022, the Land Bank adopted GASB Statement 87 - *Leases*.

We noted no transactions entered into by the Land Bank during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Land Bank's financial statements were:

Management's estimate of the acquisition value of donated property is based upon assessed value of property received.

Management's estimate of market value of property held for resale is based upon the past sales prices of properties.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Significant Audit Findings (Continued)

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of concentrations statements describes the limited sources of revenue of the Land Bank.

The disclosure of property held for sale describes the activity in property acquisitions and sales during the year.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. See Attachment for a schedule of adjustments made during the audit.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated the date of this letter.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Land Bank's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Land Bank's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Directors  
Albany County Land Bank Corporation  
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Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Albany Land Bank Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bonadio & CO. LLP

**Albany County Land Bank Corporation**  
**Attachment A - Material Audit Adjustments**  
**12/31/2022**

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**Material Audit Adjustments**

<b>Account</b>	<b>Account Description</b>	<b><u>DR</u></b>	<b><u>CR</u></b>
<i>To reduce inventory value to 30% assessed value and record impairment loss</i>			
59000	COS Periodic: Loss on Impairment	1,051,825	
14010	Property Inventory: Property Book Val (50% of Assessed Value)		1,051,825
		<u>\$ 1,051,825</u>	<u>\$ 1,051,825</u>
 <i>To record lease liability and right to use asset for leased office building related to GASB 87 implementation</i>			
TBG10	Right to Use Asset	207,147	
TBG11	Lease Liability		207,147
		<u>\$ 207,147</u>	<u>\$ 207,147</u>
 <i>To adjust inventory value for sold property 596 Third Street, adjust duplicate entry for 52 Delaware inventory removal and last to adjust YE JE #2041</i>			
14010	Property Inventory: Property Book Val (50% of Assessed Value)	34,500	
14010	Property Inventory: Property Book Val (50% of Assessed Value)	5,000	
41010	LESS Book Value Sold Properties	39,500	
14010	Property Inventory: Property Book Val (50% of Assessed Value)		39,500
41010	LESS Book Value Sold Properties		5,000
41010	LESS Book Value Sold Properties		34,500
		<u>\$ 79,000</u>	<u>\$ 79,000</u>
 <i>To record 2022 Albany County payable based on Resolution 29 of 2019 which agrees to County's adopted budget of 2022</i>			
59700	Payments to Albany County- Prop. Tax	250,000	
20001	AP- Albany County		250,000
		<u>\$ 250,000</u>	<u>\$ 250,000</u>