REQUIRED COMMUNICATIONS

May 22, 2019

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 (Corporation) as of and for the six-month period ended December 31, 2018. 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 engagement letter. 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 of the Corporation are described in Note 1 to the financial statements. The Corporation changed its policy regarding its fiscal year end which has been changed from June 30 to December 31. The Corporation also changed its methodology to estimate the value of donated property. We noted no transactions entered into by the Corporation during the period 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.

Significant Accounting Estimates

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 estimates affecting the Corporation’s financial statements were:

  Management’s estimate of the useful lives of property is based on judgments regarding the length of time an asset will provide value to the Corporation.

  Management’s estimate of the acquisition value of donated property is based upon assessed value of property received. As disclosed in Note 1, the Corporation changed the method to estimate the acquisition value of its donated property to one-half the property’s assessed value.

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 )

Financial Statement Disclosures

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 Corporation.
- The disclosure of loss on revaluation of property held for resale

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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

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 Corporation’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 Corporation’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Other Matters
Management elected to omit management’s discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our opinion on the basic financial statement is not affected by this omitted information.

Restriction on Use
This information is intended solely for the 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