

REQUIRED COMMUNICATIONS

March 19, 2025

To the Board of Directors of
The Troy Community Land Bank

We have audited the financial statements of the Troy Community Land Bank Corporation (Land Bank) for the year ended December 31, 2024. 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 adopted by the Land Bank during the period are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. 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 was:

Management's estimate of the value of donated property and property held for resale is based on assessed values at the time of donation to the Land Bank as well as estimates of market value.

We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (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 describes the limited sources of revenue of the Land Bank.

The disclosure of property held for resale 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 A 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.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Troy Community 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

Troy Community Land Bank Corporation
Attachment A - Material Audit Adjustments
December 31, 2024

Material Audit Adjustments

		<u>DR</u>	<u>CR</u>
<i>To remove cost of inventory hitting sale income when it should have hit cost of sales for 7 Park</i>			
41000	Property Sale Income (Loss)	275	
52000	Cost of Sales	30,765	
41000	Property Sale Income (Loss)		30,765
52000	Cost of Sales		275
		<u>\$ 31,040</u>	<u>\$ 31,040</u>

To adjust impairment of properties to the lessor of cost or market

52000	Cost of Sales	152,665	
14019	Property Inventory:{s} 836 River Street		2,002
14020	Property Inventory:791 River St		77,339
14024	Property Inventory:{s} 785 River Street		11,157
14064	Property Inventory:3215 Sixth Ave		34,371
14066	Property Inventory:17 Park		27,796
		<u>\$ 152,665</u>	<u>\$ 152,665</u>