



January 17, 2017

Board of Directors
Newburgh Community Land Bank
15 Chambers Street
Newburgh, New York 12550

This letter includes observations and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of the Newburgh Community Land Bank (NCLB) for the year ended June 30, 2016. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the NCLB's practices and procedures.

Accounting and Financial Reporting

Observation: During the year ended June 30, 2015, the NCLB relied on its external auditors for certain assistance with adjusting various account balances and with financial reporting in the NCLB's external financial statements to comply with accounting principles generally accepted in the United States of America (U.S. GAAP). In response to comments communicated in prior year, the NCLB engaged an external bookkeeper to maintain its books on the accrual basis of accounting. While improvement was noted in the current year, certain adjustments were required as a result of the audit process, principally related to year end accruals and property accounting.

Suggestion: The NCLB should continue to work with their external bookkeepers to ensure that financial reporting requirements embodied within accounting principles generally accepted in the United States of America are appropriately being followed, including the recording of accounts and grants receivable, accounts payable, and accrued expenses.

Debit Card Usage Policy

Observation: The NCLB currently utilizes debit cards for certain payments, however the NCLB does not have a formal policy in place for the usage of the cards.

Suggestion: We suggest that the NCLB implement a written debit card policy, including a form stating that the recipient of the card has read and agrees to the adopted policy. Further, the policy should ensure that receipts are maintained for any charges and that such are returned to the NCLB. Such a policy will help to strengthen controls relating to the use of debit cards.

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This letter is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than the specified parties. We appreciate serving the NCLB and would be happy to assist you in addressing and implementing the observations and suggestions in this letter.

Very truly yours,

BST & Co. CPAs, LLP





Paul L. Goetz, Partner

PLG/dmc