

March 20, 2018

To the Members of Management of
Finger Lakes Regional Land Bank Corporation

In planning and performing our audit of the basic financial statements of Finger Lakes Regional Land Bank Corporation (the Corporation), a blended component unit of the County of Seneca, New York (the County) as of and for the year ended December 31, 2017, we considered the Corporation's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

During our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 20, 2018 on the basic financial statements of the Corporation.

We have already discussed many of these comments and suggestions with various Corporation personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

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1. Observation:

The Corporation reimburses the County of Seneca, New York (the County) for a portion of the CEO/President's salary. At this time, no formal agreement exists for this arrangement.

Recommendation:

We recommend the Corporation sign a formal agreement with the County for the payment for the sharing of the CEO/President's time.

2. Observation:

Current process for the reconciliation of bank accounts includes the CEO/President receiving bank statements as well as performing reconciliations.

Recommendation:

We recommend the Board be provided original bank statements, with a ledger print out, on a monthly basis for review. Evidence of this should be documented and retained.

3. Observation:

The Corporation's current internal controls do not require the development of a budget within a reasonable time before the fiscal year begins. An accurate documented budget will allow management to identify problems and ensure timely and appropriate resolutions. Furthermore, pursuant to Section 2801 of Public Authorities Law, public authorities are required to submit a budget report 60 days prior to the start of the fiscal year. The Corporation failed to satisfy this requirement and did not submit a 2018 fiscal year end budget report by November 1, 2017.

Recommendation:

We recommend that the Corporation review its policies and procedures related to the budgeting process to ensure budgets are completed timely and ensure a budget report is submitted in accordance with Section 2801 of Public Authorities Law.