

March 18, 2021

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, 2020, 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 18, 2021 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:

Formal documentation for the reconciliation between financial grant reports and the general ledger is not retained.

Recommendation:

We recommend that the Corporation put into place a formal process for financial grant reporting to ensure the reconciliation to the general ledger is completed and documented.

2. Observation:

In 2019, the Corporation entered into an agreement with Seneca County, New York for a note payable in the amount of \$120,000. In accordance with this agreement the note payable was due in full on October 1, 2020, however, a note payable in the amount of \$120,000 remained as of December 31, 2020. There was no documented agreement to support the extension of the due date.

Recommendation:

We recommend that the Corporation obtains extension agreements in written form to prevent any potential legal exposure.

3. Observation:

Separate bank accounts are maintained for each of the Corporation's different funding sources, which is the primary method for tracking the use of grant funds and reporting financial information to grantors. However, there is no process in place to reconcile these account balances to the related deferred revenue accounts.

Recommendation:

We recommend that the Corporation put into place a process, as part of monthly bank reconciliations, to ensure that these accounts are reconciled to the related deferred revenue accounts. This will assist in ensuring proper reconciliation between grant reporting and the general ledger, as well as proper recognition of grant revenue.