

Yates County Capital Resource Corporation

INTERNAL CONTROL ASSESSMENT

The Yates County Capital Resource Corporation after having independent audits annually, feel that we have minimized internal control weaknesses. We understand that with no staff, risks still exist even with controls in place.

The Yates County Capital Resource Corporation follows the Yates County Industrial Development Agency dba Finger Lakes Economic Development Center's accounting procedures.

The following controls are in place:

- 1.) All invoices are attached to the check with the invoice marked paid with the date, check number and expense account.
- 2.) All checks are signed by two of the four officers of the Yates County CRC Board.
- 3.) Bill and receivable journals are kept monthly. All Board Members are given these reports monthly.
- 4.) Bank Statements are opened by the CEO, then the CFO reconciles, statement returns to CEO and also the Board Treasurer signs off on the monthly bank statement.
- 5.) Checks are marked with the date received and immediately stamped For Deposit Only.
- 6.) Checks not printed for specific vendors are locked up at all times.
- 7.) Cash is not generally accepted, on the rare occasion someone pays with cash, a receipt is written and the cash is immediately taken to the bank to be deposited.
- 8.) Backups are done on a monthly basis at minimum.

The Yates County CRC undergoes an annual financial audit by an independent CPA firm. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter internal weaknesses. No material weaknesses or recommendations for improvement have been identified by the independent auditors.

The present internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.

(2015)