

**YATES COUNTY CAPITAL  
RESOURCE CORPORATION**

**Communications of Matters Related to Internal Control  
Over Financial Reporting and Other Matters  
March 2017**

**Bonadio & Co., LLP**  
Certified Public Accountants

March 2017

To the Board of Directors of  
Yates County Capital Resource Corporation:

In planning and performing our audit of the financial statements of Yates County Capital Resource Corporation (the Agency) as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A **deficiency** in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A **material weakness** is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Agency, and is not intended to be and should not be used by anyone other than these specified parties.

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# **YATES COUNTY CAPITAL RESOURCE CORPORATION**

## **COMMUNICATION OF MATTERS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER MATTERS MARCH 2017**

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### **INTRODUCTION**

The Board of Directors of the Agency must continue to recognize that their governance oversight represents an important control in ensuring that the internal control system is strong through its monitoring of financial performance, budget approvals and decision making authority.

### **INTERNAL CONTROL RELATED MATTERS**

We noted no deficiencies that we considered to constitute as a material weakness, as defined by the cover letter in this report.

#### **1. PUBLIC AUTHORITY WEBSITES**

##### **Observation**

The Authorities Budget Office (ABO) has issued guidance regarding required postings and maintaining reports on Public Authorities' websites. The purpose of these requirements is to promote public disclosure and transparent reporting. It was noted during our audit procedures that the Agency's website was not up-to-date with all of its current postings.

##### **Recommendation**

Since the required postings are substantial and some of those postings are time sensitive, we recommend that the Agency identify an individual to monitor its website and that the website should be reviewed and updated on a monthly basis to ensure compliance with the ABO's requirements.