

Assessment of the Effectiveness of Internal Controls – FYE 2025

It is the policy of the North Country Alliance to prepare its financial statements in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board for proprietary funds. We accomplish this by adhering to the North Country Alliance Local Development Corporation's Investment, Deposit and Internal Controls Policy which documents and outlines a system of internal controls developed to reduce fraud and abuse and to produce financial statements on a consistent basis.

The principles and policies set forth in the Investment, Deposit and Internal Controls Policy assure that the various financial statements issued by the North Country Alliance accurately reflect the results of the North Country Alliance's operations.

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced in the operations of the business. Examples of internal controls implemented are as follows:

- All bank accounts are reconciled monthly and must agree with the General Ledger.
- Segregation of duties from opening mail, to depositing checks to reconciling bank statements to reviewing monthly financial statements to assure proper accounting of funds.
- The Treasurer and President are authorized to sign checks.

The system of internal controls is monitored on a continual basis by the North Country Alliance's Audit and Finance Committee as well as the Treasurer and Board of Directors.

Annually, the North Country Alliance's financial statements are audited by a certified public accountant. While the auditor is not engaged to perform an audit of internal controls, the auditor will identify if there are any weaknesses in internal controls. For the audit ending 12/31/2025, the auditor did not identify any deficiencies in internal controls considered to be material weaknesses.

In summary, the present internal control structure of the North Country Alliance is sufficient to meet the internal control objectives that pertain to the prevention and detection of fraud, errors, and irregularities in the financial reporting of the North Country Alliance.