



2019 Assessment of the Effectiveness of Internal Controls

Purpose of the Genesee Gateway Local Development Corporation (GGLDC)

The GGLDC was created in 2004 with a focus on economic development opportunities related to real estate and corporate park development.

Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. A Financial Procedures document details all aspects of the financial controls in place. To be efficient and cost effective and in accordance with the goal of developing shovel-ready sites to assist in the enabling of IDA assisted projects, the staff of the GGLDC's sole owner, the Genesee County Industrial Development Agency d/b/a/ Genesee County Economic Development Center (GCEDC), provides services which enhance the internal controls of the GGLDC. Examples of some of the controls used are listed below:

- All invoices must be reviewed and verified by the Treasurer or GCEDC's CFO, CEO or Sr. VP of Operations. All checks require two Board Member signatures. GCEDC's CFO opens and reviews all bank statements and bank reconciliations. – ***Multiple persons signing off on the process and the GCEDC's CFO opens and reviews bank statements and does not have authorization to sign checks.***
- All checks received by the GGLDC are recorded and stamped "for deposit only" by GCEDC's Operations Assistant and given to GCEDC's Operations Manager for review. GCEDC's Operations Manager ensures that all funds are coded, and that each transaction is recorded in the accounting software. The deposit slips are then prepared by GCEDC's Staff Accountant and deposited in the bank. The deposit receipt from the bank is then attached to the appropriate back up for the deposit. – ***Bank verification and receipts make this low risk.***
- Computers are password protected. Accounting software is separately password protected. Access to the accounting software is limited to the Operations Manager, Staff Accountant and CFO. – ***Password protection and limited access to accounting software makes this low risk.***

Note: Internal controls are reviewed continuously and adjustments are made as necessary.

The system of controls applicable to the GGLDC was last reviewed by the GGLDC's Audit & Finance Committee on July 9, 2019. The Audit & Finance Committee's review affirmed that there are no material control weaknesses to be reported. The GGLDC 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 in internal controls have been identified by the independent auditors.

In summary, 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.