

2011 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. The Corporation is a public instrumentality formed exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

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. Examples of some of the controls used are listed below:

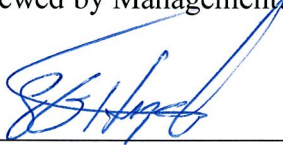
- All invoices must be reviewed and verified by the CFO, CEO or Sr. VP of Operations. All checks require two signatures, with one of the signatures being a board member. The CEO and the Finance Assistant are the only two employees authorized to sign checks. The CFO opens and reviews all bank statements and bank reconciliations. – ***Multiple persons signing off on the process and independent reviews makes this low risk.***
- All checks received by the corporation are recorded and stamped “for deposit only” by the Office Manager and given to the CFO for review. The CFO ensures that all funds are coded and that each transaction is recorded in Peachtree. The deposit slips are then prepared by an Administrative Assistant and given to the Office Manager to deposit 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.***
- The Corporation is limited to investing any of its available funds as specified in the GGLDC’s Investment Policy.
 - o Only persons authorized by the GGLDC’s Board are allowed to make investments. Typically, this responsibility falls to the CFO/Treasurer. – ***Allocation of cash at various financial institutions reducing the risk of loss and utilizing authorized signers makes this a low risk.***

Note: Internal controls are reviewed continuously and adjustments are made as necessary. Upon the addition of a Sr. VP of Operations in 2010, he was added as a back-up for the CFO in the event of her absence.

The system of controls applicable to the GGLDC was last reviewed by the GGLDC's Audit Committee on March 31, 2011. The Audit 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 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.

Reviewed by Management



Chief Executive Officer



Chief Financial Officer