

TOWN OF AMHERST DEVELOPMENT CORPORATION
2025 ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

Management of the Town of Amherst Development Corporation (ADC) is responsible for establishing and maintaining adequate internal controls over financial reporting. The accounting, financial reporting and cash management functions rely on a system of controls outlining the organization's financial procedures documentation and various policies. Internal controls are reviewed continuously, and adjustments are made as needed. The Town of Amherst Development Corporation does not have any employees and administrative processes (e.g. cash management) are performed by employees of the Town of Amherst Industrial Development Agency (AIDA) through a shared services agreement. Examples of key internal controls are:

- Cash Disbursements: Disbursements are made primarily by check and occasional wire transfer. Invoices require approval by the Treasurer and CEO prior to payment. Two signatures are required on all checks. During the COVID-19 pandemic, the AIDA and ADC board of directors authorized a single signature of either CEO or Treasurer on checks only after email review and approval of invoices by CEO and Treasurer. Wire transfers require the approval of CEO. The AIDA Director of Administrative Services and the Treasurer review all bank statements and bank reconciliations.
RISK = Low

- Cash Receipts: The AIDA Bookkeeper logs all checks, makes photocopy, stamps them "for deposit only", codes the checks and prepares deposits. The AIDA Bookkeeper deposits checks at the bank. The AIDA Director of Administrative Services reviews deposit slips and deposit receipts. The AIDA Bookkeeper records deposits in the general ledger software. Wire/ACH receipts are reviewed and coded by the Director of Administrative Services and are recorded in the general ledger software by the Bookkeeper.
RISK = Low

All computers are password protected and general ledger software is separately password protected. Access to the general ledger software is restricted to the CEO and Bookkeeper.

ADC is subject to an annual financial statement audit by an independent accounting firm, in accordance with Government Auditing Standards. While auditors are not engaged to perform an audit of internal controls, the auditors review and test internal controls as part of their audit procedures. There have been no material weaknesses or significant deficiencies in internal controls nor other management letter recommendations noted by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives in preventing and detecting errors and irregularities.

This statement certifies that the Town of Amherst Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2025.