

UCIDA

Ulster County Industrial Development Agency

Internal Control Assessment as of 12/31/17

A. Define major business functions

- Foster economic development by:
 - Offering Payment in Lieu of Tax (PILOT) agreements
 - Issuing bonds
 - Providing sale and mortgage recording tax exemptions
- Foster real estate development
- Execute financial operations
- Administer the Ulster County Industrial Development Agency (UCIDA)

B. Determine the risks associated with operations

Assess risk exposure

Issue bonds	Low
Provide tax exemptions	Moderate to high
Foster real estate development	Low
Financial operations	Moderate to high
Administration	Moderate to high

Risks

- Improper influence of project taxing jurisdictions on UCIDA
- Improper influence of UCIDA on projects or taxing jurisdictions
- Conflicts of interest
- Improperly implemented PILOTs
- Negligent or fraudulent administration of UCIDA
- Project does not accomplish its goals or meet its financial obligations
- Fraud in financial operations

C. Internal control systems in place

- Mission Statement
- By-Laws
- Policies
- Procedures
- Contract with Ulster County Office of Economic Development

D. Assessment of effectiveness of internal controls

- CEO's review of CFO and administrative functions
- Audit Committee meetings
- Governance Committee meetings
- Annual Reports
- External Audit

- Bond counsel project review
- Annual New York State Authorities Budget Office reporting

E. Corrective Action

- Actions are developed when weaknesses are identified
- Actions are adopted by the board and monitored by staff
- Corrective actions are included in public records
- Underperforming Performance Policy implemented