

UCIDA

Ulster County Industrial Development Agency

Internal Control Assessment as of 12/31/13

A. Define Major Business Functions

- Foster economic development by
 - Offering Payment in Lieu of Taxes agreements
 - Issuing bonds
 - Providing sale and mortgage recording tax exemptions
- Foster real estate development
- Execute financial operations
- Administer IDA

B. Determine the Risks Associated with Operations

Assess Risk Exposure

Issue bonds	Low
Provide tax exemptions	Moderate to High
Foster real estate dev.	Low
Financial Operations	Moderate to High
Administration	Moderate to High

Risks

- Improper influence of projects or taxing jurisdictions on UCIDA
- Improper influence of UCIDA on projects or taxing jurisdictions
- Conflicts of Interest
- Improperly implemented PILOTS
- 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 Office of Business Services

D. Assessment of the 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 state ABO reporting

E. Corrective Action

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