

UCCRC

Ulster County Capital Resource Corporation

Internal Control Assessment as of 12/31/13

A. Define major business functions

- Foster economic development by issuing non-profit bonds
- Coordinate and deliver non-profit community services
- Execute financial operations
- Administer CRC

B. Determine the risks associated with operations

Assess Risk Exposure

Issue bonds	Low
Non-profit services	Moderate
Financial Operations	Moderate
Administration	Moderate

Risks

- Improper influence of project clients or involved officials on UCCRC
- Improper influence of UCCRC on project clients or involved officials
- Conflicts of Interest
- Negligent or fraudulent administration of UCCRC
- Project does not accomplish its goals or meet its financial obligations
- Fraud in financial operations
- Legal status of structure vis a vis NYS law

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 staff
- Corrective actions are included in public records
- Underperforming Performance Policy implemented