

**Utica Civic Development Corporation
Assessment of the Effectiveness of Internal Controls 2019**

A. Define the Authority's Major Business Functions

It is hereby determined that the establishment of the Utica Civic Development Corporation (UCDC) pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York as an instrumentality of the City of Utica, New York for the specific purpose of:

- (a) promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the City by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects; and
- (b) undertaking projects and activities within the City for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of, or retention of, an industry in the City, and lessening the burdens of government and acting in the public interest, is in the best interest of the City and the purposes of the Corporation will lessen the burdens of City government, perform an essential governmental function of the City, and are in the public interest of the City.

B. Determine the Risks Associated with Its Operations

The Corporation owns no property and acts as a pass through of state granted benefits. Staff of the Corporation (Executive Director) is employed by the City of Utica. Checks received from project fees are immediately deposited into the Corporation's account. No cash is ever utilized for transaction purposes

C. Identify the Internal Control Systems in Place

The UCDC's existing controls will prevent significant fraud from occurring. The Executive Director presents all bills and vouchers to Corporation members. Two Corporation members must sign each check and reconciliations are provided for review and signatures at the end of each month. In addition, the Board oversees all expenditures and is provided with financial reports on a monthly basis.

Risk, as assessed, is low. The Board of Directors evaluates on a yearly basis.

D. Assess the Extent to Which the Internal Control System is Effective

To the knowledge of management, there has never been an outstanding issue with the effectiveness of the Internal Control System nor has any issue been brought to the attention of the Board of Directors through the annual audit.

E. Take Corrective Action

Should the event of fraud or a weakness in the effectiveness of the Internal Control System be identified, a corrective plan will be developed and adopted by the Board and monitored by management ensure that the vulnerability is addressed.