Saratoga County Economic Development Corporation (SEDC)

2026 Assessment of the Effectiveness of Internal Controls

<u>Mission:</u> The Mission of SEDC is as follows:
Saratoga Economic Development Corporation (SEDC) is a private sector, non-profit consulting firm established in 1978. With more than 45 years of economic development success, we are the primary resource and first-point of contact for any business or individual considering an investment in Saratoga County, New York.

SEDC works collaboratively with state, regional and local government on economic development programs currently available for targeted sectors. SEDC also encourages investment in our existing industries, attraction of new business, the creation of new and permanent full-time jobs and the opportunity of complementary business development operations.

SEDC will coordinate available incentives and provide directions for your specific project. We bring a degree of experience and confidentiality that sets us apart from other economic development organizations. Saratoga County New York is OPEN for BUSINESS and SEDC is ready to help!

<u>SEDC Major Business Functions:</u>
No changes have occurred with respect to SEDC's significant funding sources, mission or objectives of SEDC during 2026. The Mission Statement above, adopted in November 2023 and reaffirmed in November 2025, is meant to be more descriptive, relevant and easier to communicate when compared to the corporate language contained in the Corporation's Certificate of Incorporation.

SEDC's major business functions include fiscal responsibility/accountability, operational processes and strategic planning implemented by Staff under the direction and guidance of the Board of Directors. Agenda's, Minutes of Meetings as well as adopted RESOLUTIONS are maintained and posted conspicuously under the Compliance Tab on the SEDC website.

<u>Risks Associated with SEDC Operations:</u>
Public Meeting rules are in place and regularly followed. Roberts' Rules of Order dictate the process under which regular and special meetings of the Board of Directors are held. The Chair of the Board of Directors is regularly engaged as are the other elected members of the Board.

Risks Associated with SEDC Operations........continued

Additionally, for both legal and financial aspects of SEDC operations, SEDC utilizes the professional services of outside subject matter experts in the associated and related functions to lend additional controls. As such, organization risks are deemed to be low for all activities and functions within SEDC. A review for 2026 to date finds no change to the various levels of oversight, involvement and approval.

Internal Control Systems in Place:

There exists a set of policies, procedures and organizational guidelines in place at SEDC which are designed to ensure the SEDC mission is carried out, and to minimize risk. These items are in place during 2026. Several key internal controls in place include:

- Public Meeting and Disclosure requirements are in effect and regularly followed.
- Board of Directors annually reviews New York State Public Authorities Accountability Act policies as required by statute.
- The use of external parties provides additional levels of internal control. In addition, personnel with appropriate backgrounds and experience are utilized to help identify such items of concern including but not limited to legal and financial risks.
- Regular financial and operational reports are reviewed and audited by the Executive Committee and provided to the Board of Directors.
- SEDC employs an independent auditor to annually perform a financial audit. The completed financial audit provides an opinion on the financial statements and includes the audit-related assessment of internal controls.
- The Board of Directors addresses internal controls through review and adoption of policies and procedures. These policies include but are not limited to the following:
    1. Board annual review/approval of NYS Public Authorities Accountability Act policies;
    2. Board periodic and annual review/approval of Procurement, Investment, Audit, Property and related Authorities Budget Office (ABO) reports;
    3. Maintenance of the Corporation's website in accordance with ABO guidance;
    4. Board annually reviews SEDC's Mission to ensure the SEDC primarily operations and functions will fulfill its stated Mission;
    5. SEDC staff are trained to understand the SEDC objectives, functions, policies, procedures and guidelines;
    6. Board is familiar with the Conflicts of Interest Policy and submits a annual Conflict of Interest statement;

Internal Control Systems in Place......continued

7. Monthly Review of SEDC Financial Statements;
8. Board annual review of Procurement Policy;
9. Board annual review and approval of an annual organization Budget;
10. Annual external financial audit with Audit/Finance Committee oversight;

Extent to Which the Internal Control System is Effective:

Management has reviewed the internal control system for 2026 and finds that the items as outlined above remain in place and are functioning as intended and expected. The SEDC most recent financial audit identified no material weaknesses or significant deficiencies. Policies and procedures in place are deemed to be sufficient. As noted, SEDC staff regularly reviews updates to pertinent rules.

Corrective Action:

No specific corrective action is indicated or warranted to be required at this time. Management consistently works to strengthen controls as needed based on real-time analysis.