

PARTS

FINANCIAL RECORDS; ANNUAL FINANCIAL STATEMENTS; FILINGS WITH THE NEW YORK STATE COMPTROLLER AND AUTHORITIES BUDGET OFFICE

SECTION 801. PURPOSE AND AUTHORITY. The purpose of this Part is to implement Section 859 of Title One of Article 18-A of the General Municipal Law (the "Act"), in addition to the PAAA and PARA guidelines, which sets forth certain requirements that Schoharie County Industrial Development Agency (the "Agency") must follow with regard to maintenance of financial records, the preparation of annual financial statements, and the filing of such annual financial statements with the New York State Comptroller (the "Comptroller") and the Authorities Budget Office (the "ABO").

SECTION 802. FINANCIAL RECORDS. (A) Records regarding Agency Funds. The Agency shall maintain financial books and records in which full and correct entries shall be made of all business and financial affairs of the Agency relating to all funds for the use and account of the Agency ("Agency Funds").

(B) Records regarding Non-Agency Funds. Financial books and records relating to funds held by a project occupant and/or project beneficiary and/or bondholder and/or trustee or other fiduciary serving on behalf of bondholders (each, a "Third Party") need not be maintained by the Agency. However, the Agency shall endeavor to negotiate a clause in the project documents executed by such Third Party, whereby such Third Party agrees to provide such information to the Agency and/or its duly authorized agents as is necessary to enable the Agency to make any reports required by law and/or governmental regulation.

SECTION 803. ANNUAL FINANCIAL STATEMENT. (A) General. Within ninety (90) days following the close of each fiscal year of the Agency, the Agency shall prepare or cause to be prepared a financial statement for such fiscal year in such form as is prescribed by the Comptroller and ABO, such financial statement to include supplemental schedules containing certain additional information required by the Comptroller and ABO. Information from the annual financial statement is required to be entered into the Public Authority Reporting Information System (the "Paris System").

(B) Contract with Independent Certified Public Accountant. Pursuant to the Act, such annual financial statement must be audited within ninety (90) days following the close of such fiscal year of the Agency by an independent certified public accountant (an "Accountant") in accordance with generally accepted accounting principles established by the United States General Accounting Office. To implement this requirement, the Agency shall, in accordance with the Agency's procurement guidelines, select and contract with an Accountant at least thirty (30) days prior to the end of such fiscal year. Such contract with the Accountant shall require that such Accountant prepare and audit such annual financial statement to be known as the "Independent Audit Report", together with all supplemental schedules required by the Act, and ensure that the same are filed with the Comptroller and ABO not later than ninety (90) days following the close of such fiscal year.

(C) Filings. The Act prescribes certain penalties for (1) failure to file the annual financial statement with the Comptroller and ABO or (2) failure to substantially complete such annual financial statement, as determined by the Comptroller. The Chief Executive Officer of the Agency shall ensure that the annual financial statement is substantially completed and is filed with the Comptroller and ABO within the ninety (90) day period required by the Act. Within thirty (30) days after completion of the annual financial statement, the Agency and/or the Accountant shall send copies of such statement along with the

management letter and any other external examination of the books and accounts of such authority, other than copies of the reports of examinations made by the State Comptroller to (a) the Chief Executive Officer and the Chief Fiscal Officer of the authority, (b) the Chairperson of the legislative body of the local government or governments and (c) the Authority Budget Office.

(D) Failure to File. In the event that the Agency shall receive a notice from the Comptroller that the Agency has either failed to file an annual financial statement, or that the Comptroller has determined that a filed annual financial statement was deficient, the Chief Executive Officer of the Agency shall take steps to immediately prepare and file such annual financial statement or to remedy the deficiency.