

Assessment of the Effectiveness of  
IDA Internal Control Structure & Procedures- 2012

- In 2012 the Orange County IDA operated in compliance with the NYS General Municipal Law, the Public Authorities Accountability Act and other relevant statutes.
- At the IDA annual meeting in January 2012, an Executive Director, Chief Financial Officer, Contract Officer and Audit & Governance Committees were appointed as required by law. The Audit & Governance Committees meet prior to the scheduled IDA monthly meetings as necessary.
- The Chief Financial Officer is the County Treasurer who issues monthly financial reports. The IDA's 2012 Annual Audit was received and submitted on time as was the IDA's projected 2012 budget. Investment monies are in Certificate of Deposits which are awarded to the highest bidder.
- In 2012 the IDA continued to operate its successful Orange County Business Accelerator which is Orange County's own economic stimulus plan that came on line in late 2009. The Business Accelerator is funded by the IDA in the amount of \$1.5 million for three years including 2012. The Business Accelerator occupies the entire first floor of a building at Stewart International Airport, comprising 10,000 square feet. It offers entrepreneurs a mentoring environment for management, marketing, legal and accounting services and critical venture capital. The Business Accelerator offers subsidized rent, computer services, broadband, wireless, video-conferencing and everything else to get a fledgling business underway. Clients may stay for three years and then will graduate into their own office space, providing high-paying jobs. The IDA's return-on-investment comes in the form of good jobs and tax ratable from new buildings.
- In 2012 a company named Breonics remained in business in Albany, NY having re-located there from Orange County. Breonics has been awarded Federal NIH grants in the millions of dollars to pursue its biotech business involving transplants of human organs. The IDA had brought legal action against Breonics and in 2007 was awarded a judgment, which resulted in a post-judgment settlement of \$233,083 in favor of the IDA. An initial payment of \$10,000 was received in January, 2009. There has been no further financial recovery in 2012. The IDA remains hopeful of full financial recovery when Breonics begins to make a profit.
- In mid 2012 the IDA's Chairman and Attorney retired after many years of dedicated service to the Agency. The First Vice Chairman, Robert Armistead, has become the new Chairman and Russell Vernon has been appointed to the Board of Directors to fill the seat vacated by the retired Chairman. A new attorney, Kevin Dowd, was appointed by the Board of Directors.

- The IDA website is current and contains all information required by the Public Authorities Accountability Act. The IDA met every month in 2012 in open meeting. Formal resolutions were presented and adopted. Minutes were kept and posted on the website.
- The IDA Chairman, Executive Director and attorney attended all public hearings. Stenographic transcripts are made of all public hearings.
- IDA economic development funds were disbursed pursuant to resolution and written agreements.
- IN summary, the internal control structure and procedures of the Orange County IDA are excellent and in compliance with State law.