

Assessment of the Effectiveness of
IDA Internal Control Structure & Procedures- 2015

- In 2015 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 2015, 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. In addition, the IDA appointed an Associate Executive Director.
- The Chief Financial Officer issues monthly financial reports. The IDA's 2015 Annual Audit was received and submitted on time as was the IDA's projected 2015 budget. Investment monies are in Certificates of Deposit which are awarded to the highest bidder.
- The Business Accelerator was funded by the IDA in the amount of \$714,696 in 2015. The Business Accelerator occupies the entire first floor of a building at Stewart International Airport. In July, 2015, the IDA retained the services of Galileo Technology Group as Managing Director of the Business Accelerator. In addition to the Business Accelerator offering subsidized rent, computer services, broadband, wireless and video-conferencing to its clients, the Business Accelerator changed directions in 2015 and established a "cut and sew" manufacturing module to provide a means for established small businesses to increase their output of goods and grow their companies. Renamed The Accelerator with a newly launched website, the IDA is looking to establish additional production and manufacturing modules both at The Accelerator and in other locations to create jobs in Orange County.
- In 2015, the IDA's accounting firm completed an audit of IBM for three additional periods after an earlier audit had resulted in an overpayment by IBM. The 2015 audit resulted in a net gain owed to the IDA by IBM. The IDA has commissioned its accounting firm to complete the final two years of the IBM audit. In addition, the IDA expects to conduct further audits of recipients of IDA benefits in 2016.
- In 2015, 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 2015,

however, discussions with Breonics have begun anew and the IDA is hopeful that it will be able to recover the funds in 2016.

- The IDA website is current and contains all information required by the Public Authorities Accountability Act.
- The IDA met every month in open meeting. Formal resolutions were presented and adopted. Minutes were kept and posted on the website.
- The IDA Executive Director, Associate 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.