

Assessment of the Effectiveness of
IDA Internal Control Structure & Procedures- 2016

- In 2016, 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 2016, an Executive Director, Chief Operating Officer, 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 July, 2016, the IDA revised its By-Laws and made changes to its management structure to reflect the expanding role of its business incubator (The Accelerator) in economic development in the County. A new Managing Director position was created to oversee the daily operations of both the IDA and business incubator and the Chief Operating Officer position was renamed Executive Vice President and Chief Operating Officer. In addition, a new Director of Property Management was created to oversee the properties that the IDA was leasing for use in its business incubator's manufacturing pods (See below).
- The Chief Financial Officer issues monthly financial reports. The IDA's 2016 Annual Audit was received and submitted on time as was the IDA's projected 2016 budget. Investment monies are in Certificates of Deposit which are awarded to the highest bidder.
- The Accelerator was funded by the IDA in the amount of \$982,500 in 2016. The Accelerator occupies the entire first floor of a building at Stewart International Airport. In March, 2016, the IDA leased space at Stewart Airport from the Town of New Windsor to renovate and establish a manufacturing bottling pod for Accelerator clients. This bottling pod opened in June, 2016 and now houses 5 individual businesses that are scaling up their production capacity and are expected to begin hiring employees in the near future. These manufacturers receive all of the same services as the Accelerator has to offer its other clients including subsidized rent, computer services, broadband, wireless and video-conferencing and business planning. In December, 2016, the IDA leased three additional spaces from the Town of New Windsor at Stewart Airport to create additional manufacturing pods once these spaces are renovated for that purpose. In addition, the IDA has been working with the City of Middletown to establish additional Accelerator production and manufacturing pods in Middletown as part of that City's downtown revitalization plan.
- In 2016, 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 2016 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. Currently, there are three audits pending, with completion expected in 2017.

- In 2016, the IDA retained the services of two firms to conduct audits of projects that had received IDA benefits to determine whether recipients of such benefits were complying with the Agency's Local Labor Policy. At year's end, 0 audits were completed and 13 audits were in progress. Results indicate substantial compliance with the Agency's Policy.
- In 2016, the IDA standardized its application to be in compliance with recently enacted State legislation.
- 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.