

Assessment of the Effectiveness of
IDA Internal Control Structure & Procedures- 2017

- In 2017, 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 2017, a Managing 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.
- The Chief Financial Officer issues monthly financial reports. The IDA's 2017 Annual Audit was received and submitted on time as was the IDA's projected 2017 budget. Investment monies are in Certificates of Deposit and money markets which are awarded to the highest bidder.
- The Accelerator was funded by the IDA in the amount of \$1.5M in 2017. The Accelerator occupies the entire first floor of a building at Stewart International Airport. In June, 2016, the IDA opened its manufacturing bottling pod in space leased and renovated at Stewart Airport. This bottling pod houses 5 individual businesses that are scaling up their production capacity and have begun hiring employees. In January 2017, the IDA opened another manufacturing pod in additional leased and renovated space at Stewart Airport for the "cut and sew" industry with additional persons being hired and trained by the manufacturers. All of 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 addition, in 2017, the IDA leased space in the former Horton Hospital complex in the City of Middletown to establish additional Accelerator production and manufacturing pods in Middletown. These pods are expected to focus on medical device manufacturers, computer program development for the medical field, etc. The IDA is partnering with Touro Medical College, the City of Middletown and the City of Middletown IDA. These pods are expected to open in the first quarter of 2018.
- In 2016, the IDA started a practice of having all IBM annual payments audited. Currently there are three years of payments being reviewed by an accounting firm, the three are as follows: years ending May 31st 2014, 2015 and 2016. Shortly after receiving the 2017 payment in July 2017, IBM notified the IDA that there may be an overpayment in the amount received. The year ended May 31, 2017 was added to the audit engagement. All four years of audit are pending.

- In 2017, the two firms that the IDA had retained in 2016, continued 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, 10 audits were completed and 4 audits were in progress. Results indicate substantial compliance with the Agency's Policy.
- The IDA website is current and contains all information required by the Public Authorities Accountability Act.
- The IDA held 10 meetings in 2017, each month held in open meeting. Formal resolutions were presented and adopted. Minutes were kept and posted on the website.
- The IDA 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.