



Jeffrey Crist, • Chairman • **Dean Tamburri**, Vice Chairman • **Vincent Odock**, Secretary •
Susan Walski, Board Member • **Marc Greene**, Board Member • **Giovanni Palladino**, Board Member • **Linda Muller**, Board Member
William Fioravanti, Chief Executive Officer • **Susan R. Katzoff**, General Counsel • **Christopher C. Canada**, Bond Counsel

Agenda

PLEASE TAKE NOTICE, The Orange County Funding Corporation will hold a regularly scheduled meeting on March 20th, 2024, starting at 5:00pm at the Orange County IDA Headquarters, 4 Crotty Lane, Suite 100, New Windsor, NY 12553 to consider and/or act upon the following:

Order of Business

- **Call Meeting to Order**
- **Pledge of Allegiance**
- **Roll Call**
- **Proof of Notice**
- **Welcome Linda Muller**
- **Minutes**
 - Approval of Minutes from February 21st, 2024 Board of Directors Meeting
- **Reports**
 - Committee Reports
 - Audit Committee
 - Annual Financials Audit Review and Approval
 - Finance Committee
 - Accept February 2024 Financials
 - Approval of February / March Payables
 - Accept COVID-19 Resiliency Loan Fund update
 - Certificate of Deposit – Matures 03/26/24
- **Adjournment**

To watch the livestream, please visit our website: www.ocnyida.com

Dated: March 14, 2024

By: William Fioravanti - Chief Executive Officer

Orange County Funding Corporation
4 Crotty Lane, Suite 100 • New Windsor, NY 12553
Phone: (845) 234-4192 • Fax: (845) 220-2228 • Email: business@ocnyida.com



Jeffrey Crist, Chairman • Dean Tamburri, Vice Chairman • Vincent Odock, Secretary
Susan Walski, Board Member • Marc Greene, Board Member • Giovanni Palladino, Board Member
Bill Fioravanti, Chief Executive Officer • Susan R. Katzoff, General Counsel • Christopher C. Canada, Bond Counsel

Date: February 28, 2024
From: Jeffrey D. Crist
RE: Next Meeting Date

OCFC Board Meeting Notice

The next Board of Directors meeting of the
Orange County Funding Corporation is:

**Wednesday, March 20, 2024 at
5:00pm or after the Finance
Committee Meeting that starts at
4:00pm**

**OC IDA Headquarters
4 Crotty Lane, Suite 100
New Windsor, NY 12553**

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Orange County Funding Corporation

4 Crotty Lane
New Windsor, NY 12553
Tel (845) 234-4192

Board of Directors Meeting Minutes

Wednesday, February 21st, 2024

Meeting Location: 4 Crotty Lane, New Windsor, New York, 12553

Board Members Present: Jeffrey Crist, Dean Tamburri, Marc Greene, Dr. Vincent Odock, Giovanni Palladino, Susan Walski

Staff Present: Bill Fioravanti, Kelly Reilly, Susan Katzoff (General Counsel via Zoom), Jose Rojas, (Acquisitions Marketing, A/V)

I. Call Meeting to Order

Chairman Crist called the meeting to order at 5:08 p.m.

II. Pledge of Allegiance

III. Roll Call

Mr. Fioravanti acknowledged the Board, and staff members present.

IV. Proof of Notice

V. Minutes

A MOTION TO APPROVE THE JANUARY 17TH, 2023 OCFC BOARD OF DIRECTORS MEETING MINUTES AS PRESENTED WAS MADE BY MS. WALSKI, SECONDED BY DR. OROCK, AND PASSED UNANIMOUSLY.

VI. Resignation of Board Member James Rinaldi

Chairman Crist noted the receipt of Mr. James Rinaldi's resignation from the OCFC Board of Directors effective February 6th, 2024.

A MOTION TO ACCEPT THE RESIGNATION OF MR. JAMES RINALDI FROM THE OCFC BOARD OF DIRECTORS WAS MADE BY MR. PALLADINO, SECONDED BY MR. GREENE, AND PASSED UNANIMOUSLY.

VII. Reports

Governance Committee: Chairman Crist noted the approval of the December 19th, 2023 Governance Committee meeting minutes and noted there was no other business to discuss.

Finance Committee: Mr. Greene stated that staff is working on ways to streamline the reports going forward, reviewed the actuals, interest on loans and CDs, and noted no expenses for the month. He discussed the Board's decision to allocate 16% of the expenses to the OCFC and report monthly. He stated that the next CD scheduled to mature will be in March and reinvestment options would be discussed at the March Board meeting. He also noted that there has been no change from the 89% COVID-19 loan repayment total and stated that the OCFC continues to send monthly statement reminders to the borrowers with outstanding debt.

VIII. New Business

January 2024 OCFC Financial Report: Mr. Greene reviewed the details in his finance committee report.

January/February 2024 Payables: No payables to report for the month.

COVID-19 Resiliency Loan Fund Update: Mr. Greene reviewed the update in his finance committee report.

A MOTION TO ACCEPT THE JANUARY 2024 OCFC FINANCIAL REPORT AND THE COVID-19 RESILIENCY LOAN FUND UPDATE WAS MADE BY DR. ODOCK, SECONDED MR. PALLADINO, AND PASSED UNANIMOUSLY.

IX. Adjournment

A MOTION TO ADJOURN THE MEETING WAS MADE BY MS. WALSKI, SECONDED BY MR. PALLADINO, AND PASSED UNANIMOUSLY.

The meeting closed at 5:14 p.m.

Orange County Funding Corp
Budget vs. Actuals: Budget_FY24_P&L - FY24 P&L
 December 2023 - February 2024

	Dec 2023	Jan 2024	Feb 2024			Total		
	Actual	Actual	Actual	Budget	over Budget	Actual	Budget	over Budget
Income								
40000 Application Fees				416.67	-416.67	0.00	833.34	-833.34
40200 Closing Fees				12,500.00	-12,500.00	0.00	25,000.00	-25,000.00
40500 Recovered Funds				500.00	-500.00	0.00	1,000.00	-1,000.00
48000 Interest Income - Loans		19.04	8.72		8.72	27.76	0.00	27.76
49000 Interest Earnings	24,578.15	480.36	168.04	5,743.00	-5,574.96	25,226.55	11,486.00	13,740.55
Total Income	\$ 24,578.15	\$ 499.40	\$ 176.76	\$ 19,159.67	-\$ 18,982.91	\$ 25,254.31	\$ 38,319.34	-\$ 13,065.03
Gross Profit	\$ 24,578.15	\$ 499.40	\$ 176.76	\$ 19,159.67	-\$ 18,982.91	\$ 25,254.31	\$ 38,319.34	-\$ 13,065.03
Expenses								
60000 Administrative Costs					0.00	0.00	0.00	0.00
60001 Management Fee Expense			6,067.95		6,067.95	6,067.95	0.00	6,067.95
60003 Bookkeeping			640.00	333.33	306.67	640.00	666.66	-26.66
60004 Fiscal Audit	6,000.00			541.67	-541.67	6,000.00	1,083.34	4,916.66
60005 Insurance Expense	498.62	402.23	402.23	474.08	-71.85	1,303.08	948.16	354.92
60006 Office Supplies and Postage				109.33	-109.33	0.00	218.66	-218.66
60007 Professional Fees	4,773.00			125.00	-125.00	4,773.00	250.00	4,523.00
60008 Travel, Lodging, Meals				82.00	-82.00	0.00	164.00	-164.00
69100 Bad Debt Expense(Recovery)	-6,027.09				0.00	-6,027.09	0.00	-6,027.09
Total 60000 Administrative Costs	\$ 5,244.53	\$ 402.23	\$ 7,110.18	\$ 1,665.41	\$ 5,444.77	\$ 12,756.94	\$ 3,330.82	\$ 9,426.12
60200 Agency Support Expenses					0.00	0.00	0.00	0.00
60201 IT Support Audio/Visual				1,046.67	-1,046.67	0.00	2,093.34	-2,093.34
60202 Marketing & PR				1,013.33	-1,013.33	0.00	2,026.66	-2,026.66
Total 60200 Agency Support Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,060.00	-\$ 2,060.00	\$ 0.00	\$ 4,120.00	-\$ 4,120.00
61000 Payroll Expenses					0.00	0.00	0.00	0.00
61001 Employee Benefits				528.00	-528.00	0.00	1,056.00	-1,056.00
61002 Payroll Taxes & Fees (Staff Line)				154.00	-154.00	0.00	308.00	-308.00
61003 Salaries				4,045.08	-4,045.08	0.00	8,090.16	-8,090.16
61004 Retirement and Profit-Sharing				899.33	-899.33	0.00	1,798.66	-1,798.66
Total 61000 Payroll Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,626.41	-\$ 5,626.41	\$ 0.00	\$ 11,252.82	-\$ 11,252.82
61300 Legal	3,331.12		1,073.50	166.67	906.83	4,404.62	333.34	4,071.28
61400 Loan Program Administration				121.67	-121.67	0.00	243.34	-243.34
62000 Building Expenses					0.00	0.00	0.00	0.00
62002 Rent & CAMs				1,064.00	-1,064.00	0.00	2,128.00	-2,128.00
62003 Building Utilities				166.17	-166.17	0.00	332.34	-332.34
62006 Internet and Telephones				53.17	-53.17	0.00	106.34	-106.34
62007 Maintenance				150.67	-150.67	0.00	301.34	-301.34
62008 Repairs/Renovations				13.33	-13.33	0.00	26.66	-26.66
Total 62000 Building Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,447.34	-\$ 1,447.34	\$ 0.00	\$ 2,894.68	-\$ 2,894.68
Total Expenses	\$ 8,575.65	\$ 402.23	\$ 8,183.68	\$ 11,087.50	-\$ 2,903.82	\$ 17,161.56	\$ 22,175.00	-\$ 5,013.44
Net Operating Income	\$ 16,002.50	\$ 97.17	-\$ 8,006.92	\$ 8,072.17	-\$ 16,079.09	\$ 8,092.75	\$ 16,144.34	-\$ 8,051.59
Net Income	\$ 16,002.50	\$ 97.17	-\$ 8,006.92	\$ 8,072.17	-\$ 16,079.09	\$ 8,092.75	\$ 16,144.34	-\$ 8,051.59

**Orange County Funding Corp
Bill Payment List
February 21 - March 14, 2024**

	Date	Num	Vendor	Amount
10001 Chase - OCFC 9870				
	02/28/2024	1502	Bousquet Holstein PLLC	\$ 1,073.50
	02/28/2024	1503	RBT CPAs, LLP	\$ 640.00
Total for 10001 Chase - OCFC 9870				\$ 1,713.50

Orange County Funding Corporation
 Banks Accounts/Certificates of Deposit/Money Markets Accounts
 As of February 29, 2024

Purchase Date	Maturity Date	# of Months	Bank	Bank Balance	Principal	Interest Rate
--	--	--	--			--
12/26/23	3/26/24	3 months	TD Bank		\$ 547,208	5.35%
1/4/24	6/27/24	6 months	JP Morgan T-Bill		\$ 599,076	5.35%
1/12/24	1/12/25	12 months	Lakeland		\$ 600,000	5.10%

Bank	Account Type	Amount	% of total
Chase	Checking Account - Operating	\$ 161,524	8%
Total CDs & Treasuries	Certificates of Deposit & Treasuries	\$ 1,746,284	92%
		<u>\$ 1,907,808</u>	<u>100%</u>

Orange County Funding Corporation
Small Business Resiliency Loan Status Report
02/29/2024

	<u>#</u>	<u>Amount</u>	
Loans Distributed	49	\$ 476,500	
Principal Payments to Date			
Paid in Full	38	\$ 379,000	
Partial	<u>11</u>	<u>\$ 43,912</u>	
Total	49	\$ 422,912	89%
 Balance		 \$ 53,588	
 Current	 0		
 Behind	 <u>11</u> 11		
 No Payment to Date	 2	 \$ 20,000	
 Interest Paid to Date		 \$ 6,268	



Orange County Funding Corporation

Melissa Szot, CPA, CGMA

Partner

Marc Callinan, CPA

Director

March 13, 2024

**KNOW
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Agenda – Table of Contents

- Overview & Required Communications
- Year over Year Change
 - Income Statement
 - Balance Sheet

Required Communications

- Management's Responsibility
 - Selecting and implementing appropriate accounting policies
 - Fairly presenting the financial statements in accordance with U.S. GAAP
 - Establishing and maintaining effective internal control over financial reporting
 - Compliance with laws, regulations and provisions of contracts and agreements
 - Providing all financial records and related information to the auditors

Required Communications (cont.)

- Our Responsibility
 - Form and express an opinion
 - Independent Auditors' Opinion: Unmodified Opinion
 - Yellow Book Report
 - Communicate in writing deficiencies in internal controls
 - Advise management of appropriateness of accounting policies
 - Communicate any fraud or illegal acts that are noted during the audit
 - We encountered no significant difficulties
 - No uncorrected misstatements noted
 - No disagreements with management
 - Maintained auditor independence

Year Over Year Change – Income Statement

	2023	2022	Change
OPERATING REVENUES			
Charges for services	-	\$ 103,117	\$ (103,117)
Closing fees	2,500	5,000	(2,500)
Application fees			
Total Operating Revenues	2,500	108,117	(105,617)
OPERATING EXPENSES			
Projects and special initiatives	1,199	4,285	(3,086)
Professional fees	14,536	9,074	5,462
Loan administration fees	1,458	1,944	(486)
Bad debt	(6,027)	(14,579)	8,552
Insurance	5,328	9,232	(3,904)
Total Operating Expenses	16,494	9,956	6,538
Income (Loss) from Operations	(13,994)	98,161	(112,155)
NON-OPERATING REVENUES			
Interest income	85,082	4,099	80,983
Change in Net Position	71,088	102,260	(31,172)
NET POSITION			
Beginning of year	1,835,411	1,733,151	102,260
End of year	\$ 1,906,499	\$ 1,835,411	\$ 71,088

Year Over Year Change – Balance Sheet

	<u>2023</u>	<u>2022</u>	<u>Change</u>
ASSETS			
Cash and equivalents	\$ 1,368,901	\$ 1,820,745	\$ (451,844)
Investments	547,208	-	547,208
Due from primary government	-	1,799	(1,799)
Loan, net of allowance	-	15,646	(15,646)
Prepaid expenses	4,626	5,048	(422)
Total Assets	<u>1,920,735</u>	<u>1,843,238</u>	<u>77,497</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>14,236</u>	<u>7,827</u>	<u>6,409</u>
NET POSITION			
Unrestricted			
Designated	-	2,451	(2,451)
Undesignated	<u>1,906,499</u>	<u>1,832,960</u>	<u>73,539</u>
Total Net Position	<u>\$ 1,906,499</u>	<u>\$ 1,835,411</u>	<u>\$ 71,088</u>

Contact Us

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Orange County Funding Corporation
(A Discretely Presented Component Unit of the
Orange County Industrial Development Agency)

Report to Those Charged with Governance

December 31, 2023

March xx, 2024

Prepared by

Melissa Szot, CPA, CGMA

Partner

mszot@pkfod.com

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March xx, 2024

Members of the Board of Directors
Orange County Funding Corporation
4 Crotty Lane, Suite #100
New Windsor, New York 12553

We have audited the financial statements of the Orange County Funding Corporation (a discretely presented component unit of the County of Orange, New York) ("Corporation") as of and for the year ended December 31, 2023 and have issued our report thereon dated March xx, 2024.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 27, 2022. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Corporation and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP

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Appendices

- 1 – Management Representation Letter
- 2 – About PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.
- PARIS report is required to be filed by March 31, 2024.

DRAFT

Required Communications and Other Matters

Required Item	Comments
<p>Auditor's responsibility under professional standards and planned scope and timing of the audit</p>	<p>We have communicated such information in our engagement letter to you dated December 27, 2022. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
<p>Supplementary information accompanying the financial statements</p>	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>
<p>Other supplementary information accompanying the financial statements</p>	<p>Our responsibility for the other supplementary information accompanying the financial statements is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.</p>

Required Item	Comments
<p>Required supplementary information accompanying the financial statements</p>	<p>We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p>
<p>Other information in documents containing audited financial statements</p>	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>
<p>Our responsibilities under the Yellow Book</p>	<p>In connection with our audit we performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.</p>
<p>Responsibilities of management and TCWG</p>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>

Required Item	Comments
<p>Qualitative aspects of accounting practices - Accounting Policies</p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 96, "Subscription-Based Information Technology Arrangements". The Corporation evaluated the impact of the statement and determined the amounts were not material to the financial statements.</p> <p>The accounting policies of the Corporation conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Corporation's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
<p>Qualitative aspects of accounting practices – Significant Unusual Transactions</p>	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
<p>Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment</p>	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Corporation's financial statements were:</p> <ul style="list-style-type: none"> • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts

Required Item	Comments
<p>Qualitative aspects of accounting practices - Financial Statement Disclosures</p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> • Fund balances • Deferred Compensation plan information <p>The financial statement disclosures are neutral, consistent and clear.</p>
<p>Going concern</p>	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.</p> <p>We concur with management's assessment that the Corporation will continue as a going concern for one year from the balance sheet date.</p>
<p>Significant risks</p>	<p>In most audits, one or more of the following significant risks normally arise:</p> <ul style="list-style-type: none"> • Management override of internal controls • Improper revenue recognition due to fraud <p>The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.</p>
<p>Difficulties encountered in performing the audit</p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Corrected and uncorrected misstatements</p>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.</p> <p>In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.</p>

Required Item	Comments
Disagreements with management	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.
Management representations	We have requested certain representations from management that are included in the management representation letter (see Appendix 1).
Management's consultations with other accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Corporation in accordance with relevant professional standards.
Significant issues discussed with management prior to retention	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orange County Funding Corporation (a discretely presented component unit of the Orange County Industrial Development Agency) ("Corporation"), internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- A **material weakness** is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

Harrison, New York
March xx, 2024

On the Horizon

GASB Statement No. 101 – *Compensated Absences*

Under this Statement, the liabilities for compensated absences is required to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Statement establishes guidance for measuring the liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. Measurement for the liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made.

The Statement does allow recognition of certain types of compensated absences until the leave commences, including parental, military and jury duty leave.

Further, the Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, as long as it is identified as a net change. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. The provisions of this Statement are **effective for fiscal years beginning after December 15, 2023 (i.e., the Corporation's financial statements for the year ended December 31, 2024).**

Appendix 1

Management Representation Letter

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March xx, 2024

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of the Orange County Funding Corporation (a discretely presented component unit of the Orange County Industrial Development Agency) ("Corporation") which comprise the statement of net position as of December 31, 2023, and the related statement of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter, the following representations made to you during your audit:

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated December 27, 2022 for:
 - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
 - b) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
 - c) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.
- 3) In regard to the financial statement preparation non-attest services performed by you, we have:

- a) Assumed all management responsibilities.
 - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the result of the services.
- 4) We acknowledge our responsibility for presenting the financial statements and supplemental schedules in accordance with US GAAP, and we believe the financial statements and supplemental schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the financial statements and supplemental schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 5) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
- a) The Corporation's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) There have been no changes during the period audited in the Corporation's accounting policies and practices.
 - c) All material transactions have been recorded in the accounting records and are reflected in the financial statements
- 6) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 7) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
- a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the Corporation is contingently liable, if any.
 - c) The effects of all known actual, possible, pending or threatened litigation, claims and assessments.
- 8) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 9) We are in agreement with the adjusting journal entries you have proposed and they have been posted to the Corporation's accounts.

Information Provided

- 10) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Corporation or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - f) All significant contracts and agreements.
 - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- 11) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 12) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Corporation's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Corporation and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 16) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- 17) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

- 18) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 19) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 20) The Corporation has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.

- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 23) There are no violations or possible violations of budget ordinances/resolutions, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 24) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services We have reviewed, approved, and accepted responsibility for those financial statements and disclosures. We also understand that as part of your audit, you prepared various adjusting journal entries and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.
- 25) The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) The Corporation has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 28) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements include all fiduciary activities required by GASB Statement No. 84.
- 30) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 31) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 33) Investments are properly valued.

- 34) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of revenues, expenses and changes in net position within operating revenues and non-operating revenues.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities are properly classified as to risk and properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 42) We have appropriately disclosed the Corporation's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) The Corporation has agreements that meet the definition of leases contained in GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*". However, the total value of the subscription arrangements for the year ended December 31, 2023 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financial statements.
- 46) Expenditures of federal awards were below the \$750,000 threshold for the year ended December 31, 2023, and we were not required to have an audit in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Signature: _____
Bill Fioravanti

Title: Chief Executive Officer

Appendix 2

About PKF O'Connor Davies, LLP

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Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,500 professionals and 18 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2023 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always Know Greater Value.

INDUSTRY RECOGNITION

Ranked 25 of "2023's Top 100 Firms"
Accounting Today, 2023

"America's Best Tax and Accounting Firms"
Forbes, 2023

"Top Tax Firm"
Accounting Today, 2023

Ranked 5 of the "Top Firms in the Mid-Atlantic"
Accounting Today, 2023

"Best Places to Work in Westchester"
914INC., 2023

Ranked 10 of the 50 "Best Accounting Employers to Work for in North America"
Vault, 2024

Ranked #1 in Three Diversity Categories
Vault, 2024

"Accounting/Due Diligence Firm of the Year"
The M&A Advisor, 2023

"Best Accountancy Advisor"
Family Wealth Report Awards, 2022

"Best Family Office Management Consultancy"
Family Wealth Report Awards, 2022

"Best Accounting Firm in Westchester"
914INC., 2022

"Best Places to Work in New Jersey"
NJBIZ, 2023

KNOW GREATER VALUE*

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



ACCOUNTING AND ASSURANCE SERVICES

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Combinations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit and Cybersecurity Reviews
- Peer Review
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits and Compliance



ADMINISTRATION SERVICES

- Fund Administration Services
- Outsourced CFO Services
- Outsourced Portfolio Company Accounting



ADVISORY SERVICES

- Bankruptcy and Restructuring
- Cybersecurity and Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- ESG, Sustainability and Impact Optimization
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Management Consulting Services
- Matrimonial Services
- Operational and Cost Effectiveness
- PPP Loan Forgiveness Services
- Private Client/Business Owner Services
- Recruiting and Human Resources Consulting
- Risk Advisory Services
- Strategy and Transformation
- System Organization Control (SOC) Reports
- Transaction and Financial Advisory Services
- Virtual Chief Information Security Officer Services (vCISO)
- Wealth Services
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights



FAMILY OFFICE SERVICES

- Accounting and Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring and Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



INTERNATIONAL SERVICES

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Latin America Desk
- Transfer Pricing



INVESTMENT BANKING SERVICES

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory



TAX COMPLIANCE AND PLANNING SERVICES

- Employee Benefit Planning and Tax Compliance
- International Tax Services
- IRS Representation and Tax Controversies
- Personal Financial Planning
- Private Client/Business Owner Services
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance and Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

*PKF O'Connor Davies is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



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Orange County Funding Corporation

(A Discretely Presented Component Unit of the
Orange County Industrial Development Agency)

Financial Statements
and Supplementary Information

Year Ended December 31, 2023

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Orange County Funding Corporation
(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

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Independent Auditors' Report

**The Members of the Board of the
Orange County Funding Corporation**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Orange County Funding Corporation (a discretely presented component unit of the Orange County Industrial Development Agency) ("Corporation"), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of December 31, 2023 and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Statement of Indebtedness - Bonds and Notes but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **March xx, 2024** on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
Harrison, New York
March xx, 2024

Orange County Funding Corporation
(A Discretely Presented Component Unit of the
Orange County Industrial Development Agency)

Management's Discussion and Analysis (Unaudited)
For the year ended December 31, 2023

The following Management's Discussion and Analysis ("MD&A") of the Orange County Funding Corporation ("Corporation ") provides as an introduction and overview of the financial statements of the Corporation for the year ended December 31, 2023. Management's Discussion and Analysis is Required Supplementary Information specified in the Government Accounting Standards Board ("GASB") Statement No. 34. Following this MD&A are the annual financial statements of the Corporation together with the notes to financial statements which are important to understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with the understanding of the Corporation's financial operations.

Financial Highlights for the Year 2023

- The Corporation's net position increased by \$71,088 from \$1,835,411 to \$1,906,499.
- Operating revenues decreased by \$105,617 from \$108,117 to \$2,500.
- Operating expenses increased by \$6,538 from \$9,956 to \$16,494.

Summary of Operations

	Years Ended December 31,		Change
	2023	2022	
REVENUES			
Fees, net of refunds	\$ 2,500	\$ 108,117	\$ (105,617)
Interest income	85,082	4,099	80,983
Total Revenues	<u>87,582</u>	<u>112,216</u>	<u>(24,634)</u>
EXPENSES			
Administrative	19,864	18,306	1,558
Projects and special initiatives	1,199	4,285	(3,086)
Loan program expenditures	(4,569)	(12,635)	8,066
Total Expenses	<u>16,494</u>	<u>9,956</u>	<u>6,538</u>
Change in Net Position	71,088	102,260	(31,172)
NET POSITION			
Beginning of year	<u>1,835,411</u>	<u>1,733,151</u>	<u>102,260</u>
End of year	<u>\$ 1,906,499</u>	<u>\$ 1,835,411</u>	<u>\$ 71,088</u>

Financial Position Summary

Net position serves as an indicator of the Corporation's resources to conduct operations. The Corporation's net position was \$1,906,499 and \$1,835,411 on December 2023 and 2022, respectively.

For details of the Corporation's finances, see the accompanying financial statements and notes thereof.

Overview of the Financial Statements

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements, and Other Supplementary Information. The Financial Statements include notes, which explain in detail some of the information included in the basic financial statements.

Required Financial Statements

The Financial Statements of the Corporation report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles generally accepted in the United States of America. The Statement of Net Position include information on the Corporation's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Corporation's creditors (liabilities). The Statement of Revenues, Expenses and Changes in Net Position identify the Corporation's revenues and expenses for the year ended December 31, 2023. This statement provides information on the Corporation's operations over the past year and can be used to determine whether the Corporation has operated in a surplus or deficiency.

Financial Analysis of the Agency

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide an indication of the Corporation's financial condition and also indicate that the financial condition of the Corporation has improved or deteriorated during the last year. The Corporation's net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

Request for Information

This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation finances. Questions and comments concerning any information provided in this report or requests for additional information should be addressed to the Chief Executive Officer, Orange County Funding Corporation, 4 Crotty Lane, Suite 100, New Windsor, New York 12553.

Orange County Funding Corporation

(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Statement of Net Position
December 31, 2023

ASSETS

Cash and equivalents	\$ 1,368,901
Investments	547,208
Receivables	
Loan, net of allowance for doubtful accounts of \$53,973	-
Prepaid expenses	<u>4,626</u>
Total Assets	<u>1,920,735</u>

LIABILITIES

Accounts payable and accrued expenses	<u>14,236</u>
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NET POSITION

Unrestricted	
Undesignated	<u>\$ 1,906,499</u>

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See notes to financial statements

Orange County Funding Corporation

(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2023

OPERATING REVENUES

Charges for services

Application fees \$ 2,500

OPERATING EXPENSES

Projects and special initiatives 1,199

Professional fees 14,536

Loan administration fees 1,458

Bad debt (6,027)

Insurance 5,328

Total Operating Expenses 16,494

Loss from Operations (13,994)

NON-OPERATING REVENUES

Interest Income 85,082

Change in Net Position 71,088

NET POSITION

Beginning of year 1,835,411

End of year \$ 1,906,499

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See notes to financial statements

Orange County Funding Corporation
(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from closing and other fees	\$ 25,972
Cash paid for goods and services	<u>(15,690)</u>
Net Cash from Operating Activities	<u>10,282</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(547,208)
Interest income	<u>85,082</u>
Net Cash from Investing Activities	<u>(462,126)</u>
Net Change in Cash and Cash Equivalents	(451,844)
CASH AND EQUIVALENTS	
Beginning of year	<u>1,820,745</u>
End of year	<u>\$ 1,368,901</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (13,994)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Due from primary government	1,799
Loan receivable	15,646
Prepaid expenses	422
Accounts payable and accrued expenses	<u>6,409</u>
Net Cash from Operating Activities	<u>\$ 10,282</u>

See notes to financial statements

Orange County Funding Corporation

(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Notes to Financial Statements

December 31, 2023

Note 1 - Organization

During 2010, the Orange County legislature sponsored the formation of the Orange County Funding Corporation (the "Corporation"), a component unit of the Orange County Industrial Development Agency ("Agency") that would work with organizations and local municipalities for the financing of civic facilities. The Corporation is exempt from federal, state, and local income taxes. The Legislature appoints the membership of the Orange County Funding Corporation. The directors of the Orange County Funding Corporation are the same as the Orange County Industrial Development Agency.

Note 2 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Corporation has been identified as an organization related to the Agency. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, the Corporation's financial statements have been discretely presented in the Agency's financial statements.

B. Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Corporation reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Corporation's principal ongoing operation. The principle operating revenue of the Corporation are closing fees for bond and note issues. Operating expenses include contractual costs and professional fees. All revenue and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Assets and Net Position

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Corporation's deposits and investment policies are governed by State statutes. The Corporation has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Corporation is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Orange County Funding Corporation

(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Notes to Financial Statements (Continued)

December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Corporation has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Corporation follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Corporation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Corporation does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Corporation's name. The Corporation's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Corporation does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Orange County Funding Corporation

(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Notes to Financial Statements (Continued)

December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Corporation's investment policy limits the amount on deposit at each of its banking institutions.

Prepaid Expenses

Prepaid items represent payments made by the Corporation for which benefits extend beyond year end. These items reflect costs applicable to future accounting periods and are recorded as prepaid at the time of purchase and as an expense in the year the goods or services are consumed.

Revenue Recognition

The Corporation receives closing fees for bond and note issues as well as straight lease transactions expected savings on mortgage recording and sales and use taxes exemptions. These closing fees, as further described in Note 6, are recognized as revenue upon issuance of bonds and notes or closing on straight leases. Application and other administrative fees are recognized when services are rendered.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

D. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Orange County Funding Corporation
 (A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Notes to Financial Statements (Continued)
 December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is **March xx, 2024**.

Note 3 - New Accounting Pronouncement

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements (SBITA's)", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the Corporation's fiscal year ended December 31, 2023. The Corporation has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 4 – Investments

Investments held in the Corporation at December 31, 2023 consisted of the following:

<u>Investment Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount</u>
Certificate of Deposit	December 26, 2023	March 26, 2024	<u>\$ 547,208</u>

Certificates of deposit are not subject to the provisions of fair value measurements as they are recorded at cost.

Note 5 - Resiliency Loans

Pursuant to Chapter 109 of the Laws of 2020, Section 858 of General Municipal Law ("GML") allows for an industrial development agency ("IDA") to provide grants to small businesses or not-for-profit entities for the purpose of purchasing personal protective equipment and other fixtures needed to help prevent the spread of COVID-19. Also, Section 859-c of the GML established a program to allow IDAs to make interest-free loans to small businesses and not-for-profits up to \$25,000.

As a result of the COVID-19 pandemic, the Corporation established a fund to supply loans to local businesses throughout Orange County. The Corporation issued 50 loans to be paid back over a 24-month period, with a maximum amount of \$10,000 each, for a total of \$476,500. As of December 31, 2023, the outstanding principal balance was \$53,973 with an allowance for doubtful accounts of \$53,973 applied against that balance.

Orange County Funding Corporation

(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Notes to Financial Statements (Concluded)

December 31, 2023

Note 6 - Conduit Debt Obligations, Revenue Bonds and Notes and Straight Lease Transactions

Certain industrial revenue bonds and notes issued by the Corporation are secured by property which is leased to companies and are retired by lease payments. The bonds and notes are not obligations of the Corporation, the Agency, the County or the State of New York. The Corporation does not record the assets or liabilities resulting from completed bond and note issues in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there-from are controlled by trustees or banks acting as fiscal agents. Trustees maintain the information for these bonds and notes and no default notices have been generated in the current year. For providing this service, the Corporation receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of the bonds and notes or closing on leases.

Note 7 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Corporation believes will most impact its financial statements. The Corporation will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

SUPPLEMENTARY INFORMATION

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Orange County Funding Corporation
(A Discretely Presented Component Unit of the Orange County Industrial Development Agency)

Supplementary Information
Statement of Indebtedness - Bonds and Notes
December 31, 2023

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2023	Retired in 2023	Balance at 12/31/2023
Crystal Run Village (2018 OCFC Bond) 420 Schutt Rd. Middletown, NY 10940	12/27/2018	1/1/2049	*	\$ 9,200,000	\$ 8,512,910 **	\$ 193,787	\$ 8,319,123
Mount Saint Mary College - 2012A 330 Powell Avenue Newburgh, NY 12550	12/21/2012	7/1/2024	2.99%	20,555,000	16,185,000	560,000	15,625,000
Mount Saint Mary College - 2012B 330 Powell Avenue Newburgh, NY 12550	12/21/2012	7/1/2032	2.99%	16,605,000	9,685,000	835,000	8,850,000
Mount Saint Mary College - 2022A 330 Powell Avenue Newburgh, NY 12550	9/28/2022	7/1/2035	2.99%	17,240,000	17,240,000	-	17,240,000
Mount Saint Mary College - 2022B 330 Powell Avenue Newburgh, NY 12550	9/28/2022	7/1/2024	2.99%	1,195,000	1,195,000	890,000	305,000
Mountco - Walkkill Apts 700 White Plains Rd., Suite 363 Scarsdale, NY 10583	12/29/2017	1/1/2035	4.84%	8,534,739	5,157,194	70,940	5,086,254
Mountco - Spring Valley Apts 700 White Plains Rd., Suite 363 Scarsdale, NY 10583	12/29/2017	1/1/2035	4.84%	12,651,055	8,380,345	115,276	8,265,069
Mountco - Stony Point Apts 700 White Plains Rd., Suite 363 Scarsdale, NY 10583	12/29/2017	1/1/2035	4.84%	8,814,206	4,923,429	73,517	4,849,912
Sentinel Realty at Port Jervis 12 College Road Monsey, NY 10952	9/15/2017	9/1/2044	4.86%	13,114,000	11,481,277	11,481,277	-
Walkkill Realty Partners 201 Broad Street, 5th Floor Stamford, CT 06901	12/28/2012	1/1/2046	6.50%	35,515,000	32,810,000 **	605,000	32,205,000

* - Not provided on confirmation

** - Adjustments based on confirmation

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

Project Purpose Code	Federal Tax Status	Not-for-profit	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Tax Exemptions						
					Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions	
					County	Local	School				
1	Exempt	Yes	*	63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Exempt	No	0	484	-	-	-	-	-	-	-
8	Exempt	No	*	*	-	-	-	-	-	-	-
8	Exempt	No	*	*	-	-	-	-	-	-	-
8	Exempt	No	*	*	-	-	-	-	-	-	-
8	Taxable	No	0	3	-	-	-	-	-	-	-
8	Taxable	No	0	3	-	-	-	-	-	-	-
8	Taxable	No	0	3	-	-	-	-	-	-	-
6	Taxable	No	*	*	-	-	-	-	-	-	-
6	Taxable	No	64	75	-	-	-	-	-	-	-

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Members of the Board of the
Orange County Funding Corporation**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Orange County Funding Corporation (a discretely presented component unit of the Orange County Industrial Development Agency) ("Corporation"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation basic financial statements, and have issued our report thereon dated **March xx, 2024**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
Harrison, New York
March xx, 2024

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