

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2021 AND 2020

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

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Independent Auditors' Report

To the Members of the Board of
Orange County Industrial Development Agency
(A Component Unit of the County of Orange, New York)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Orange County Industrial Development Agency ("OCIDA" or "the Agency") (a component unit of the County of Orange, New York) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency'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 financial position of the Agency as of December 31, 2021 and 2020 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Agency, 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 opinion.

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, which raise substantial doubt about the Agency'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.

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 opinion. 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 Agency'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, which raise substantial doubt about the Agency'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 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The Schedules of Supplementary Information on pages 17 through 22 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022, on our consideration of the Orange County Industrial Development Agency's internal control over financial reporting and 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 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 Orange County Industrial Development Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP
Middletown, New York
April 18, 2022

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the Orange County Industrial Development Agency's (OCIDA) annual financial report presents an analysis of the OCIDA's financial performance during the fiscal year ended December 31, 2021. This information is presented in conjunction with the audited basic financial statements, which follow this section. Additional information is available in the auditor's opinion letter, which precedes management's discussion and analysis.

FINANCIAL HIGHLIGHTS FOR THE YEAR 2021

- The OCIDA's net position increased by \$594,131 from \$11,584,525 to \$12,178,656.
- Operating revenues increased by \$208,565 from \$735,639 to \$944,204.
- Recovery of funds in the amount of \$1,265,000 was recognized in other income during 2021.
- Operating expenses decreased by \$1,654,666 from \$3,269,739 to \$1,615,073.

SUMMARY OF OPERATIONS

<u>Revenues:</u>	2021	2020	Over/Under
Fees, Net of Refunds	\$ 832,242	\$ 477,818	\$ 354,424
Rental Income	99,517	80,600	18,917
Grant Income	-	40,000	(40,000)
Interest Income (Expense)	(4)	122,973	(122,977)
Administrative and Other Fees	1,277,449	14,248	1,263,201
Total Revenues	<u>\$ 2,209,204</u>	<u>\$ 735,639</u>	<u>\$ 1,473,565</u>
<u>Expenses:</u>			
Administrative expenditures	\$ 1,511,936	\$ 2,985,810	(\$ 1,473,874)
Projects and Special Initiatives	11,303	194,069	(182,766)
Depreciation	91,834	89,860	1,974
Total Expenses	<u>\$ 1,615,073</u>	<u>\$ 3,269,739</u>	<u>(\$ 1,654,666)</u>

FINANCIAL POSITION SUMMARY

Net Position serves as an indicator of the Agency's resources to conduct operations. The Agency's Net Position was \$12,178,656 and \$11,584,525 on December 31, 2021, and 2020, an increase of \$594,131 or 5%. Liabilities were \$129,524 and \$485,630 on December 31, 2021, and 2020, a decrease of \$356,106.

For details of the Agency'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 OCIDA report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The Statement of Net Position include information on the OCIDA's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to OCIDA creditors (liabilities). The Statement of Activities identify the OCIDA's revenues and expenses for the years ended December 31, 2021 and 2020. This statement provides information on the OCIDA's operations over the past year and can be used to determine whether the OCIDA 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 OCIDA's financial condition and also indicate that the financial condition of the OCIDA has improved or deteriorated during the last year. The OCIDA's net position reflect the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

STATEMENTS OF NET POSITION
DECEMBER 31,

	PRIMARY GOVERNMENT OCIDA	COMPONENT UNIT OCFC	2021 TOTAL	2020 TOTAL
<u>ASSETS:</u>				
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$ 7,765,921	\$ 1,626,068	\$ 9,391,989	\$ 4,672,708
Certificates of Deposit	2,113,500	-	2,113,500	3,526,678
Accounts Receivable - Current Portion	48,431	-	48,431	2,798,352
Loans Receivable, Net of Allowance	-	107,662	107,662	276,513
Accrued Interest Receivable	-	-	-	14,505
Prepaid Expense	16,070	9,498	25,568	68,535
Total Current Assets	<u>9,943,922</u>	<u>1,743,228</u>	<u>11,687,150</u>	<u>11,357,291</u>
<u>Noncurrent Assets:</u>				
Capital Assets - Net	548,846	-	548,846	640,680
Accounts Receivable - Long Term Portion	33,466	-	33,466	33,466
Security Deposit	38,718	-	38,718	38,718
Total Noncurrent Assets	<u>621,030</u>	<u>-</u>	<u>621,030</u>	<u>712,864</u>
Total Assets	<u>10,564,952</u>	<u>1,743,228</u>	<u>12,308,180</u>	<u>12,070,155</u>
<u>LIABILITIES:</u>				
<u>Current Liabilities:</u>				
Accounts Payable and Accrued Expenses	114,673	10,077	124,750	480,627
Tenant Security Deposits	4,774	-	4,774	5,003
Total Current Liabilities	<u>119,447</u>	<u>10,077</u>	<u>129,524</u>	<u>485,630</u>
<u>NET POSITION:</u>				
Investment in Capital Assets	548,846	-	548,846	640,680
Unrestricted - Designated	410,000	1,000,000	1,410,000	1,101,700
Unrestricted - Undesignated	9,486,659	733,151	10,219,810	9,842,145
Total Net Position	<u>\$ 10,445,505</u>	<u>\$ 1,733,151</u>	<u>\$ 12,178,656</u>	<u>\$ 11,584,525</u>

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
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STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31,

	PRIMARY GOVERNMENT OCIDA	COMPONENT UNIT OCFC	2021 TOTAL	2020 TOTAL
<u>OPERATING REVENUES:</u>				
Charges for services				
Fee Income, Net	\$ 489,242	\$ -	\$ 489,242	\$ 406,091
Closing Fees	343,000	-	343,000	71,727
Rental Income	99,517	-	99,517	80,600
Administrative Fees	5,000	-	5,000	10,000
Total Operating Revenues	<u>936,759</u>	<u>-</u>	<u>936,759</u>	<u>568,418</u>
<u>OPERATING EXPENSES:</u>				
Projects and Special Initiatives	3,750	7,553	11,303	194,069
Contractual Expenses	40,978	-	40,978	140,706
Payroll	228,935	-	228,935	465,693
Payroll Taxes	19,734	-	19,734	35,529
Payroll Administration Fees	3,493	-	3,493	8,253
Employee Benefits	-	-	-	47,567
Rent	459,425	-	459,425	469,465
Management Fees	90,562	-	90,562	821,798
Professional Fees	239,655	15,751	255,406	441,599
Advertising	107,226	-	107,226	178,553
Repairs and Maintenance	54,921	-	54,921	105,695
Telephone	39,536	-	39,536	35,531
Utilities	76,748	-	76,748	55,420
Office and Miscellaneous Expenses	24,711	-	24,711	35,922
Travel and Entertainment	895	-	895	3,805
Loan Administration Fees	-	2,052	2,052	8,678
Bad Debt Expense	40,930	5,000	45,930	72,497
Conferences and Seminars	-	-	-	6,380
Insurance	45,516	15,868	61,384	52,719
Depreciation Expense	91,834	-	91,834	89,860
Total Operating Expenses	<u>1,568,849</u>	<u>46,224</u>	<u>1,615,073</u>	<u>3,269,739</u>
Loss from Operations	<u>(632,090)</u>	<u>(46,224)</u>	<u>(678,314)</u>	<u>(2,701,321)</u>
<u>NON-OPERATING REVENUES:</u>				
Grant Income	-	-	-	40,000
Interest Income (Expense)	(6,732)	6,728	(4)	122,973
Other Income	1,272,449	-	1,272,449	4,248
Total Non-Operating Revenues and Expenses	<u>1,265,717</u>	<u>6,728</u>	<u>1,272,445</u>	<u>167,221</u>
Change in Net Position	<u>633,627</u>	<u>(39,496)</u>	<u>594,131</u>	<u>(2,534,100)</u>
<u>NET POSITION:</u>				
Beginning of Year	<u>9,811,878</u>	<u>1,772,647</u>	<u>11,584,525</u>	<u>14,118,625</u>
End of Year	<u>\$ 10,445,505</u>	<u>\$ 1,733,151</u>	<u>\$ 12,178,656</u>	<u>\$ 11,584,525</u>

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
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STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	<u>PRIMARY GOVERNMENT OCIDA</u>	<u>COMPONENT UNIT OCFC</u>	<u>2021 TOTAL</u>	<u>2020 TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Change in Net Position	\$ 633,627	\$ (39,496)	\$ 594,131	\$ (2,534,100)
<u>Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:</u>				
Depreciation	91,834	-	91,834	89,860
Allowance on Resiliency Loans	-	5,000	5,000	70,000
<u>Changes in Assets and Liabilities:</u>				
Accounts Receivable	2,749,921	-	2,749,921	213,888
Prepaid Expense	51,385	(8,418)	42,967	29,667
Accrued Interest	14,292	213	14,505	(6,451)
Security Deposit	-	-	-	(20,000)
Tenant Security Deposits	(229)	-	(229)	(980)
Accounts Payable and Accrued Expenses	(357,526)	1,649	(355,877)	(710,941)
Total Adjustments	<u>2,549,677</u>	<u>(1,556)</u>	<u>2,548,121</u>	<u>(334,957)</u>
Net Cash Provided by (Used in) Operating Activities	3,183,304	(41,052)	3,142,252	(2,869,057)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Purchase of Fixed Assets	-	-	-	(59,667)
Redemption of Certificates of Deposit	2,985,792	540,886	3,526,678	5,718,181
Purchase of Certificates of Deposit	(2,113,500)	-	(2,113,500)	(3,526,678)
Net Cash Provided by Investing Activities	<u>872,292</u>	<u>540,886</u>	<u>1,413,178</u>	<u>2,131,836</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>				
Resiliency Loan Disbursements	-	-	-	(476,500)
Resiliency Loan Repayments	-	163,851	163,851	129,988
Net Cash Used in Financing Activities	<u>-</u>	<u>163,851</u>	<u>163,851</u>	<u>(346,512)</u>
Net Change in Cash and Equivalents	<u>4,055,596</u>	<u>663,685</u>	<u>4,719,281</u>	<u>(1,083,733)</u>
CASH AND EQUIVALENTS				
Beginning of Year	<u>3,710,325</u>	<u>962,383</u>	<u>4,672,708</u>	<u>5,756,441</u>
End of Year	<u>\$ 7,765,921</u>	<u>\$ 1,626,068</u>	<u>\$ 9,391,989</u>	<u>\$ 4,672,708</u>

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION AND PURPOSE

The Orange County Industrial Development Agency (the "Agency") was created in 1972 under the Laws of New York State for the purpose of encouraging economic growth in Orange County, New York. The Agency is exempt from federal, state, and local income taxes. The Agency is a component unit of the County of Orange, New York.

The Agency's present function is to promote economic development through a program of incentive-based allocations that assist in the construction, equipping and maintenance of specific types of projects and facilities to advance the health, prosperity, and economic welfare of the County's citizens by retaining and creating jobs and attracting new business. The Agency also manages various accelerators to incubate and grow opportunities in various sectors through the County. This specific activity is included in the overall results of the Agency and commonly referred to as the Orange County Business Accelerator.

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 (the "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

Financial Reporting Entity

The Agency has been identified as a component unit of the County of Orange, New York. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, "*The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*", the Corporation's financial statements have been discretely presented in the Agency's financial statements.

Basis of Accounting

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency 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 Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operation. The principal operating revenues of the Agency are closing fees for bond and note issues as well as straight lease transactions expected savings on mortgage recording and sales and use taxes exemptions. Operating expenses include contractual costs and professional fees. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

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.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Equivalents, Investments and Risk Disclosure (continued)

Collateral is required for these deposits at 102% of all deposits not covered by Federal deposit insurance. The Agency has entered into custodial agreements with the depositories 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.

The Agency's deposit and investment policies are governed by State statutes. The Agency 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 Agency is authorized to use demand deposits, time deposit accounts and certificates of deposit.

The Agency 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.

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

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the entity will incur losses in fair value caused by changing interest rates. The Agency 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 Agency 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 Agency'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 Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2021, and 2020.

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 Agency 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 INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Equivalents, Investments and Risk Disclosure (continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Agency's investment policy minimizes concentration of credit risk due to depository insurance and/or collateralized securities.

Accounts Receivable

Accounts Receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management considers accounts receivable to be fully collectible; accordingly, there is no allowance for doubtful accounts.

Prepaid Expenses

Prepaid items represent payments made by the Agency 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.

Capital Assets

Capital assets, net, are recorded at cost, except for contributed property and equipment, which is recorded at fair market value at the date of donation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When capital assets are retired or otherwise disposed of, the appropriate accounts are relieved of costs, and accumulated depreciation and any resulting gain or loss is credited or charged to operations. Capital assets at December 31, 2021 and 2020 consisted of equipment, furniture, and leasehold improvements.

The Agency evaluated prominent events or changes in circumstances affecting capital assets to determine if impairment of any capital asset had occurred. A capital asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2021 and 2020.

Depreciation is provided for in amounts to relate the cost of depreciable assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives established to determine depreciation are as follows:

	<u>Estimated Useful Life</u>
Equipment	5 years
Furniture	10 years
Leasehold Improvements	Life of Lease

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

The Agency 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 10, 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

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use. Net position on the statement of net position includes investment in capital assets. The balance is classified as unrestricted.

Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also effect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

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 April 18, 2022.

NOTE 3 - LITIGATION

In the normal course of business there are a number of actions against the Agency that involve personal injury and/or contractual disputes between the plaintiff's and the project beneficiary. In each such case, the Agency has been indemnified by the project beneficiary and, in the opinion of the Agency's management, the project beneficiary has insurance in place to mitigate any losses that may ultimately result from the resolution of such litigation. While the Agency has been named in many of these actions, in the opinion of management based upon consultation with legal counsel, the ultimate resolution of such litigation matters should not result in any liability to the Agency.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of various repayment agreements, project closing fee balances, and accelerator rent due to the Orange County Industrial Development Agency. The current portion of accounts receivable, on December 31, 2021, is comprised of \$33,466 due from SUNY Orange on a repayment agreement and \$14,965 in rent due from occupants at the various accelerator locations. The noncurrent portion represents the final payment of a 10-year repayment agreement with SUNY Orange. Due to a delay in billing, this balance was also noted as the noncurrent portion of accounts receivable as of December 31, 2020.

As of December 31, 2020, the current portion is comprised of \$2,000,000 due from the Warwick Valley Land Development Corporation ("WVLDC"), as detailed further in Note 11 on project expenses. The remaining balance of current portion receivables as of December 31, 2020, is \$19,023 in rent receivables and repayments of \$779,329 for project funding agreements.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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, 2020, the outstanding principal balance was \$346,513 with an allowance for doubtful accounts of \$70,000 applied against that balance. Throughout the year ended December 31, 2021, the Corporation received principal payments totaling \$163,851 and increased the allowance by an additional \$5,000. As of December 31, 2021, the outstanding receivable balance for the resiliency loans was \$182,662 offset by a total allowance of \$75,000.

NOTE 6 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2021.

<u>Capital Assets</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Reclassifications</u>	<u>Balance</u> <u>12/31/2021</u>
Equipment	\$ 233,943	\$ -	\$ -	\$ -	\$ 233,943
Furniture	28,109	-	-	-	28,109
Leasehold Improvements	594,853	-	-	-	594,853
	<u>856,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>856,905</u>
Less: accumulated depreciation	(216,225)	(91,834)	-	-	(308,059)
Capital assets, net	<u>\$ 640,680</u>	<u>\$ (91,834)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 548,846</u>

The following is a summary of the changes in capital assets for the year ended December 31, 2020.

<u>Capital Assets</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Reclassifications</u>	<u>Balance</u> <u>12/31/2020</u>
Equipment	\$ 288,539	\$ 25,000	\$ (28,618)	\$ (50,978)	\$ 233,943
Furniture	39,791	-	-	(11,682)	28,109
Leasehold Improvements	500,009	34,668	-	60,176	594,853
	<u>828,339</u>	<u>59,668</u>	<u>(28,618)</u>	<u>(2,484)</u>	<u>856,905</u>
Less: accumulated depreciation	(157,466)	(61,243)	-	2,484	(216,225)
Capital assets, net	<u>\$ 670,873</u>	<u>\$ (1,575)</u>	<u>\$ (28,618)</u>	<u>\$ -</u>	<u>\$ 640,680</u>

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 - ORANGE COUNTY BUSINESS ACCELERATOR

In 2009, the Agency started the Orange County Business Accelerator (OCBA). The purpose of OCBA is to promote job creation and new business growth. The OCBA offers office, research and development, manufacturing and flex space designed to attract entrepreneurs by providing businesses with various mentoring programs, high-tech office space, below market occupancy costs and access to certain grants. In prior years, tenants signed multiple year leases with escalating monthly lease payments. However, in September 2016, Management elected to change lease agreements to only be for one-year periods. As of December 31, 2020, expected client rental revenues expected for 2021 are \$105,400.

The lease generally requires reimbursement of the tenant's proportionate share of common area, and other operating expenses, which are not included in the amounts above. At December 31, 2021 and 2020, the OCBA held \$4,774 and \$5,003, respectively in tenant security deposits that will be returned upon termination of the lease.

NOTE 8 - UNRESTRICTED NET POSITION - DESIGNATED

The Agency provides support to related organizations that carry out missions that are aligned with that of the Agency. The support contributions are approved and documented in the Agency's annual budget. For the year ended December 31, 2021 (budget year 2022), the Agency designated resources in a total of \$1,410,000. The 2022 budget does not have specifics. However, for the year ended December 31, 2020 (budget year 2021), the Agency designated net position resources for the following purposes:

Hudson Valley Agribusiness Development Corporation	\$ 25,000
Orange County Foreign Trade Zone	25,000
Women's Enterprise Development Center	30,000
TSEC	35,000
Friends of Orange County Youth Bureau Fund	23,000
Projects and Special Initiatives	<u>963,700</u>
Total Unrestricted Net Position - Designated	<u><u>\$ 1,101,700</u></u>

NOTE 9 - RETIREMENT PLAN

The Agency adopted a new retirement plan for the year beginning January 1, 2019, allowing the employees to participant in the New York State Deferred Compensation Plan. The New York State Deferred Compensation Plan is a 457(b)-retirement plan created for New York State employees, and employees of participating agencies.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 - OPERATING LEASES

A lease has been entered into with First Columbia 4-LA, LLC to lease office space located at 4 Crotty Lane in the Town of New Windsor, New York. The Agency originally leased approximately 10,000 square feet at this location and occupied that space through December 31, 2017. Subsequent to year end, on January 22, 2018, the Agency entered into the fourth amendment of the original lease with a reduction in the lease property to 4,251 of rentable square feet and extended the term of the lease to February 28, 2023.

A lease has been entered into with The Danza Leser Group, LLC to lease office space in the City of Middletown, New York. The Agency is leasing 7,500 square feet with a move-in date of March 2018 and expiring in February 2023. The Agency will pay \$5,625 in basic monthly rent along with common area maintenance (CAM) and utility charges. The lease also provides for forgiveness of rent, CAM, and utility charges on the first 18 months of occupancy.

The Agency has leased various spaces from the Town of New Windsor on the Avenues of America, near the main building. There are five separate leases that range in monthly rent expense of \$1,000 to \$1,500. These leases are set to end from December 31, 2021, to May 31, 2022.

On July 15, 2018, the Agency entered into a lease agreement with B4 Holdings, LLC for the first and second floors of the building commonly known as 605 Broadway, Newburgh, New York. The leased space covers 14,000 square feet for an initial 5-year term. The basic monthly rent for the initial five-year term is \$10,500.

On September 1, 2020, the Agency entered into a lease agreement with ESR Development, Incorporated for a building located at 195 Main Street, Highland Falls, New York. The leased space covers 16,000 square feet for an initial 5-year term. The basic monthly rent for the first 3 years is \$20,000, with a 3% increase for years 4 and 5. As of events that occurred subsequent to December 31, 2020, the lease for this location was cancelled and the Agency was not liable for any of the future lease payments.

Future minimum lease payments in connection with these lease agreements on December 31, 2021, are as follows:

2022	\$ 335,849
2023	<u>76,857</u>
	<u>\$ 412,706</u>

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND COMPONENT UNIT
NEW WINDSOR, NEW YORK

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 11 - PROJECT EXPENSES

In 2019, the Agency approved a reimbursable project expense of \$1.5 million for the Warwick Valley Local Development Corporation (WVLDC) to develop an accelerator space in Warwick focused on initiatives in the hemp industry. The funding was to support a project developed by WVLDC, who received a grant from Empire State Development Corporation (ESD) for the project. The grant agreement outlines a 40% reimbursement to the WVLDC based on an overall project cost of at least \$7.5 million (reimbursement up to \$3 million). The project has four separate phases for which WVLDC can request grant funding as the individual phases are completed. The agreement between WVLDC and ESD outlines the grant funding as follows:

Infrastructure Improvements to John Hicks Drive: Up to \$500,000 will be disbursed to the Grantee upon receipt of documentation verifying project costs of at least \$1,277,139.

Lighting Upgrade: Up to \$44,910 will be disbursed to the Grantee upon receipt of documentation verifying project costs of at least \$112,275.

Water System Upgrade: Up to \$257,684 will be disbursed to the Grantee upon receipt of documentation verifying project costs of at least \$644,209.

Improvements to Incubator/Apprentice Program Building: Up to \$2,197,406 will be disbursed to the Grantee upon receipt of documentation verifying project costs of at least \$5,515,058.

As of the date of these financial statements, phases one, two and three have been completed and request for disbursement has been submitted through the WVLDC. Phase four is nearing completion.

At December 31, 2020, the Agency had expended \$2,000,000 for the project and received reimbursements from WVLDC during 2021.

NOTE 12 - CONDUIT DEBT OBLIGATIONS

The Agency helps arrange financing for various commercial ventures in the County of Orange, New York. These transactions are considered “conduit” transactions as the financing is arranged through the Agency but not done by the Agency. Consequently, these transactions are not reflected on the books and records of the Agency. A supplemental schedule of these transactions is provided later in this report.

SUPPLEMENTARY INFORMATION

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NEW WINDSOR, NEW YORK

SCHEDULE OF BONDS OUTSTANDING - CONDUIT TRANSACTIONS
YEAR ENDED DECEMBER 31, 2021

<u>PROJECT</u>	<u>12/31/20</u> <u>BALANCE</u>	<u>ISSUED</u>	<u>PRINCIPAL</u> <u>PAID</u>	<u>ADJUSTMENTS</u>	<u>12/31/21</u> <u>BALANCE</u>
Crystal Run Village, Inc	A \$ 535,000	\$ -	\$ 460,000	\$ (75,000)	\$ -
Glen Arden, Inc.	13,570,000	-	-	-	13,570,000
St. Lukes Hospital - 2001A	7,410,000	-	1,080,000	-	6,330,000
St. Lukes Hospital - 2001B	2,615,000	-	380,000	-	2,235,000
St. Lukes Hospital - 2006	9,995,000	-	630,000	-	9,365,000
Tuxedo Place, L.P.	9,815,000	-	-	-	9,815,000
Tuxedo Park School	1,500,000	-	1,500,000	-	-
	<u>\$ 45,440,000</u>	<u>\$ -</u>	<u>\$ 4,050,000</u>	<u>\$ (75,000)</u>	<u>\$ 41,315,000</u>

A: The Project's confirmation notes that the ending outstanding principal balance on December 31, 2021, was \$-0-. An adjustment is noted as the opening balance less the confirmed principal retired throughout the year did not reduce the outstanding principal balance down to \$-0- based on prior year confirmed balances.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NEW WINDSOR, NEW YORK

SCHEDULE OF SUPPLEMENTAL INFORMATION - BONDS
YEAR ENDED DECEMBER 31, 2021

<u>Project/Owner</u>	<u>Purpose</u>	<u>Issued/ Maturity Date</u>	<u>Interest Rate</u>	<u>Federal Tax Status</u>	<u>Beginning/ Ending Balances</u>	<u>FTE Employees Created / Current</u>	<u>Tax Exemptions</u>		<u>PILOTS</u>
							<u>Sales</u>	<u>Real Property</u>	
Crystal Run Village, Inc 420 Schutt Road Ext Middletown, NY 10940	Services	6/15/2006 7/1/2021	Fixed 5.25%	Tax Exempt	\$ 535,000 0	0 / 470	N/A	N/A	N/A
Glen Arden (Elant) 214 Harriman Drive Goshen, NY 10924	Services	7/1/1998 1/1/2028	Fixed 5.700%	Tax Exempt	13,570,000 13,570,000	0 / 68	N/A	N/A	107,486
St. Luke's Cornwall Hospital - 2001A 70 Dubois Street Newburgh, NY 12550	Services	12/1/2001 12/1/2026	Fixed *	Tax Exempt	8,435,000 7,410,000	37 / 1,023	N/A	N/A	N/A
St. Luke's Cornwall Hospital - 2001B 70 Dubois Street Newburgh, NY 12550	Services	12/1/2001 12/1/2026	Fixed *	Tax Exempt	2,615,000 2,235,000	37 / 1,023	N/A	N/A	N/A
St. Luke's Cornwall Hospital - 2006 70 Dubois Street Newburgh, NY 12550	Services	6/22/2006 7/1/2032	Fixed *	Tax Exempt	9,995,000 9,365,000	37 / 1,023	N/A	N/A	N/A
Tuxedo Park School Mountain Farm Road Tuxedo Park, NY 10987	Other	9/11/2002 9/11/2022	Variable 0.650%	Tax Exempt	1,500,000 0	2 / 43	N/A	N/A	N/A
Tuxedo Place LP 40 Hospital Road Tuxedo, NY 10987	Services	8/1/1999 8/1/2032 & 8/1/2033	Fixed 7.000%	Tax Exempt	9,815,000 9,815,000	9 / 36	N/A	N/A	48,959

NOTE: An asterisk (*) indicates that the confirmation was not returned.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NEW WINDSOR, NEW YORK

SCHEDULE OF SUPPLEMENTAL INFORMATION - STRAIGHT LEASE
YEAR ENDED DECEMBER 31, 2021

<u>Project/Owner</u>	<u>Purpose</u>	<u>Federal Tax Status</u>	<u>FTE Employees Created / Current</u>	<u>Tax Exemptions Sales</u>	<u>Mortgage</u>	<u>PILOTS</u>
360 Middletown Holdings, LLC 360 Crystal Run Road Middletown, NY 10941	Services	Taxable	32 / 32	\$ 46,344	N/A	\$ 19,481
Allstate Fabrication * 15 Highview Ave. Orangeburgh, NY 10962	Services	Taxable	*/*	*	*	*
Amy's Kitchen 2250 Northpoint Parkway Santa Rosa, CA 95407	Services	Taxable	0 / 1	87,942	N/A	12,322
Blackhawk Development, LLC 10 Hudson Crossing Drive Montgomery, NY 12549	Services	Taxable	34 / 182	N/A	N/A	234,666
C&S Wholesale Grocers, Inc. 10 Optical Ave Keene, NH 03431	Wholesale Trade	Taxable	N/A / N/A	N/A	N/A	N/A
Carlisle Construction * 1285 Ritner Highway Carlisle, PA 17013	Manufacturing	Taxable	*/*	*	*	*
Clear Key II, LLC 15 Bailie Lane Monroe, NY 10950	Development	Taxable	0 / 0	N/A	N/A	N/A
Coach Hudson Transit Lines 66 Tetz Road Chester, NY 10918	Transportation	Taxable	0 / 198	N/A	N/A	493,861
CPV Valley LLC 8403 Colesville Rd, Suite 915 Silver Spring, MD 20910	Energy	Taxable	0 / 22	N/A	N/A	1,160,537
CRH Realty III, LLC 155 Crystal Run Road Middletown, NY 10941	Services	Taxable	2 / 142	N/A	N/A	304,012

NOTE: An asterisk (*) indicates that the confirmation was not returned.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NEW WINDSOR, NEW YORK

SCHEDULE OF SUPPLEMENTAL INFORMATION - STRAIGHT LEASE (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

<u>Project/Owner</u>	<u>Purpose</u>	<u>Federal Tax Status</u>	<u>FTE Employees Created / Current</u>	<u>Tax Exemptions Sales</u>	<u>Mortgage</u>	<u>PILOTS</u>
CRH Realty VI, LLC 155 Crystal Run Road Middletown, NY 10941	Services	Taxable	2 / 469	N/A	N/A	\$ 236,487
CRH Realty VIII, LLC 155 Crystal Run Road Middletown, NY 10941	Services	Taxable	2 / 225	N/A	N/A	317,263
Cross Roads Court Real Estate, LLC PO Box 10804 Newburgh, NY 12552	Development	Taxable	7 / 21	N/A	N/A	410,547
Dana Distributors 52 Hatfield Ln Goshen, NY 10924	Distribution	Taxable	0 / 102	N/A	N/A	42,139
Danskammer Energy, LLC 994 River Road Newburgh, NY 12550	Energy	Taxable	0 / 37	N/A	N/A	1,600,707
Fairbanks Manufacturing LLC c/o Medora Snacks 79 Industrial Place Ext. Middletown, NY 10941	Manufacturing	Taxable	175 / 453	N/A	N/A	16,210
Fiorello Pharmaceuticals Inc 325 W Huron Street - No. 700 Chicago, IL 60654	Manufacturing	Taxable	0 / 0	118,164	N/A	8,750
GAM Property Corp 3 Police Drive - PO Box 1029 Goshen, NY 10924	Services	Taxable	28 / 58	185,891	N/A	N/A
Hampton Park * 1344 Route #9 Castleton, NY 12033	Services	Taxable	*/*	*	*	*
IBM (2018 New Pilot) - <i>Property sold</i> 1 North Castle Drive Armonk, NY 10504	Manufacturing	Taxable	0 / 0	N/A	N/A	512,300
IBM (2015 Sales Tax) - <i>Property sold</i> 1 North Castle Drive Armonk, NY 10504	Manufacturing	Taxable	0 / 0	790,818	N/A	N/A

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ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NEW WINDSOR, NEW YORK

SCHEDULE OF SUPPLEMENTAL INFORMATION - STRAIGHT LEASE (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

<u>Project/Owner</u>	<u>Purpose</u>	<u>Federal Tax Status</u>	<u>FTE Employees Created / Current</u>	<u>Tax Exemptions</u>		<u>PILOTS</u>
				<u>Sales</u>	<u>Mortgage</u>	
Isomedix Operations 5960 Heisley Road Mentor, OH 44060	Services	Taxable	22 / 163	N/A	N/A	\$ 83,947
Kraftify LLC 251 State School Road Warwick, NY 10990	Services	Taxable	4 / 12	N/A	N/A	N/A
Leentjes Amusement Corp (d/b/a The Castle) (2016 Expansion Project) PO Box 1032 Chester, NY 10918	Services	Taxable	N/A / 5-45 Due to Shutdowns	N/A	N/A	9,029
Matrix Newburgh I, LLC 3 Center Drive Monroe Township, NJ 08831	Services	Taxable	35 / 312	N/A	N/A	688,979
Mediacom 1 Mediacom Way Mediacom Park, NY 10918	Communications	Taxable	(1) / 369	N/A	N/A	169,828
Merlin Entertainment Group 420 Harriman Drive Goshen, NY	Services	Taxable	185 / 315	2,083,778	N/A	223,768
Millennium Pipeline PO Box 1565 Pearl River, NY 10965	Gas	Taxable	0 / 0	N/A	N/A	1,491,000
Nowak Properties, Inc 386 Ingrassia Road Middletown, NY 10940	Development	Taxable	7 / 22	N/A	N/A	16,457
NYTT, LLC 975 Belmont Avenue North Haledon, NJ 07508	Service	Taxable	17 / 17	N/A	N/A	50,545
Orange Tower Drive LLC * 915 Union Avenue New Windsor, NY 12553	Services	Taxable	*/*	*	*	*

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ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NEW WINDSOR, NEW YORK

SCHEDULE OF SUPPLEMENTAL INFORMATION - STRAIGHT LEASE (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

<u>Project/Owner</u>	<u>Purpose</u>	<u>Federal Tax Status</u>	<u>FTE Employees Created / Current</u>	<u>Tax Exemptions</u>		<u>PILOTS</u>
				<u>Sales</u>	<u>Mortgage</u>	
Retford Investments 45 Turner Drive Middletown, NY 10941	Manufacturing	Taxable	0 / 63	N/A	N/A	\$ 77,286
Satin Fine Foods Inc. & Satin Realty Associates, LLC 32 Leone Lane - Unit 1 Chester, NY 10918	Other	Taxable	2 / 65	N/A	N/A	250,328
Stewart FBI LLC / Avenue of the Americas 5554 Main Street Williamsville, NY 14221	Services	Tax Exempt	0 / 0	N/A	N/A	16,322
USAI 1126 River Road New Windsor, NY 12553	Services	Taxable	1 / 228	N/A	N/A	94,073
Wallkill Realty Partners LLC 800 Westchester Avenue Suite S-712 Rye Brook, NY 10573	Services	Taxable	64 / 75	N/A	N/A	357,799

NOTE: An asterisk (*) indicates that the confirmation was not returned.

INDEPENDENT ACCOUNTANTS' REPORT

**To The Members of the Board of Directors
Orange County Industrial Development Agency
4 Crotty Lane
New Windsor, New York 12553**

We have examined the Orange County Industrial Development Agency's (the OCIDA) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the period January 1, 2021, through December 31, 2021. Management of the OCIDA is responsible for the OCIDA's compliance with the specified requirements. Our responsibility is to express an opinion on the OCIDA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the OCIDA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the OCIDA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the OCIDA's compliance with specified requirements.

In our opinion, the OCIDA complied, in all material respects, with the aforementioned requirements for the period of January 1, 2021, through December 31, 2021.

This report is intended solely for the information and use of the Board of Directors, management, and others within the OCIDA and the New York State Authorities Budget Office and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Middletown, New York
April 18, 2022