

# **Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the  
County of Orange, New York)

Financial Statements  
and Supplementary Information

Year Ended December 31, 2023



**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

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## **Independent Auditors' Report**

### **The Board of Directors of the Orange County Industrial Development Agency**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the discretely presented component unit of the Orange County Industrial Development Agency (a discretely presented component unit of the County of Orange, New York) ("Agency"), as of and for the year ended December 31, 2023 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 respective financial position of the governmental activities and the discretely presented component unit of the Agency, as of December 31, 2023 and the respective changes in financial position and cash flows thereof for the year 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 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 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 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 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 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, that 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 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 Statement of Indebtedness - Bonds and Notes and Statement of Indebtedness - Straight Lease Transactions 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 19, 2024 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
March 19, 2024

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**Orange County Industrial Development Agency**  
**(A Discretely Presented Component Unit of the County of Orange, New York)**

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 Industrial Development Agency ("Agency") provides as an introduction and overview of the financial statements of the Agency for the year ended December 31, 2023. Management's Discussion and Analysis is Required Supplementary Information specified in the Governmental Accounting Standards Board ("GASB") Statement No. 34. Following this MD&A are the annual financial statements of the Agency 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 Agency's financial operations.

**Financial Highlights for the Year 2023**

- The Agency's net position increased by \$41,396 from \$11,318,347 to \$11,359,743.
- Operating revenues decreased by \$45,009 from \$645,049 to \$600,040.
- Operating expenses decreased by \$206,327 from \$1,129,524 to \$923,197.

**Summary of Operations**

	Years Ended December 31,		
	2023	2022	Change
<b>REVENUES</b>			
Fees, net of refunds	\$ 564,581	\$ 535,010	\$ 29,571
Rental income	23,355	59,075	(35,720)
Other income	12,104	50,964	(38,860)
Interest income	364,553	46,851	317,702
Total Revenues	964,593	691,900	272,693
<b>EXPENSES</b>			
Administrative	732,094	1,035,968	(303,874)
Projects and special initiatives	148,699	30,285	118,414
Depreciation/amortization	42,404	63,271	(20,867)
Loss on disposal of assets	-	422,685	(422,685)
Total Expenses	923,197	1,552,209	(629,012)
Change in Net Position	41,396	(860,309)	901,705
<b>NET POSITION</b>			
Beginning of year	11,318,347	12,178,656	(860,309)
End of year	\$ 11,359,743	\$ 11,318,347	\$ 41,396

## **Financial Position Summary**

Net position serves as an indicator of the Agency's resources to conduct operations. The Agency's net position was \$11,359,743 and \$11,318,347 on December 31, 2023 and 2022, respectively.

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 Agency 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 Agency's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Agency's creditors (liabilities). The Statement of Revenues, Expenses and Changes in Net Position identify the Agency's revenues and expenses for the years ended December 31, 2023. This statement provides information on the Agency's operations over the past year and can be used to determine whether the Agency 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 Agency's financial condition and also indicate that the financial condition of the Agency has improved or deteriorated during the last year. The Agency'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 Agency's finances for all those with an interest in the Agency 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 Industrial Development Agency, 4 Crotty Lane, Suite 100, New Windsor, New York 12553.

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

## Statement of Net Position

December 31, 2023

	Primary Government OCIDA	Component Unit OCFC	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 3,620,611	\$ 1,368,901	\$ 4,989,512
Investments	5,899,136	547,208	6,446,344
Receivables			
Accounts	8,865	-	8,865
Due from other governments	300	-	300
Prepaid expenses	3,701	4,626	8,327
Capital assets being depreciated/amortized, net	162,584	-	162,584
<b>Total Assets</b>	<b>9,695,197</b>	<b>1,920,735</b>	<b>11,615,932</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	129,225	14,236	143,461
Deposits payable	861	-	861
Non-current liabilities			
Due within one year	46,353	-	46,353
Due in more than one year	65,514	-	65,514
<b>Total Liabilities</b>	<b>241,953</b>	<b>14,236</b>	<b>256,189</b>
<b>NET POSITION</b>			
Net investment in capital assets	50,717	-	50,717
Unrestricted			
Designated	300,000	-	300,000
Undesignated	9,102,527	1,906,499	11,009,026
<b>Total Net Position</b>	<b>\$ 9,453,244</b>	<b>\$ 1,906,499</b>	<b>\$ 11,359,743</b>

See notes to financial statements

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

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

	Primary Government OCIDA	Component Unit OCFC	Total
<b>OPERATING REVENUES</b>			
Charges for services			
Closing fees	\$ 542,081	\$ -	\$ 542,081
Rental income	23,355	-	23,355
Application fees	20,000	2,500	22,500
Other income	12,104	-	12,104
<b>Total Operating Revenues</b>	<b>597,540</b>	<b>2,500</b>	<b>600,040</b>
<b>OPERATING EXPENSES</b>			
Projects and special initiatives	147,500	1,199	148,699
Payroll	261,467	-	261,467
Payroll taxes and benefits	120,712	-	120,712
Rent	49,572	-	49,572
Professional fees	126,086	14,536	140,622
Advertising	67,841	-	67,841
Repairs and maintenance	10,870	-	10,870
Telephone	41,273	-	41,273
Utilities	15,108	-	15,108
Office and miscellaneous	11,135	-	11,135
Travel and entertainment	17,885	-	17,885
Loan administration fees	-	1,458	1,458
Bad debt	(28,271)	(6,027)	(34,298)
Insurance	18,957	5,328	24,285
Interest	4,164	-	4,164
Depreciation/amortization	42,404	-	42,404
<b>Total Operating Expenses</b>	<b>906,703</b>	<b>16,494</b>	<b>923,197</b>
<b>Loss from Operations</b>	<b>(309,163)</b>	<b>(13,994)</b>	<b>(323,157)</b>
<b>NON-OPERATING REVENUES</b>			
Interest Income	279,471	85,082	364,553
<b>Change in Net Position</b>	<b>(29,692)</b>	<b>71,088</b>	<b>41,396</b>
<b>NET POSITION</b>			
Beginning of year	9,482,936	1,835,411	11,318,347
End of year	<u>\$ 9,453,244</u>	<u>\$ 1,906,499</u>	<u>\$ 11,359,743</u>

See notes to financial statements

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

Statement of Cash Flows  
Year Ended December 31, 2023

	Primary Government OCIDA	Component Unit OCFC	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from closing and other fees	\$ 636,848	\$ 25,972	\$ 662,820
Cash paid for goods and services	(302,376)	(15,690)	(318,066)
Cash paid for salaries and benefits	(382,179)	-	(382,179)
Net Cash from Operating Activities	(47,707)	10,282	(37,425)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(440,487)	(547,208)	(987,695)
Purchase of capital assets	(142,098)	-	(142,098)
Interest income	279,471	85,082	364,553
Net Cash from Investing Activities	(303,114)	(462,126)	(765,240)
Net Change in Cash and Cash Equivalents	(350,821)	(451,844)	(802,665)
<b>CASH AND EQUIVALENTS</b>			
Beginning of year	3,971,432	1,820,745	5,792,177
End of year	<u>\$ 3,620,611</u>	<u>\$ 1,368,901</u>	<u>\$ 4,989,512</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>			
Loss from operations	\$ (309,163)	\$ (13,994)	\$ (323,157)
Adjustments to reconcile loss from operations to net cash from operating activities			
Depreciation/amortization	42,404	-	42,404
Changes in operating assets and liabilities			
Accounts receivable	13,950	-	13,950
Due from other governments	66,632	-	66,632
Due from primary government	-	1,799	1,799
Loan receivable	-	15,646	15,646
Prepaid expenses	11,445	422	11,867
Accounts payable and accrued expenses	19,870	6,409	26,279
Leases payable	111,867	-	111,867
Deposits payable	(2,913)	-	(2,913)
Due to component unit	(1,799)	-	(1,799)
Net Cash from Operating Activities	<u>\$ (47,707)</u>	<u>\$ 10,282</u>	<u>\$ (37,425)</u>

See notes to financial statements

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## **Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements

December 31, 2023

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### **Note 1 - Organization**

The Orange County Industrial Development Agency ("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'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.

### **Note 2 - Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

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

The financial reporting entity consists of a) the primary government, which is the Agency, and b) other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

During 2010, the Orange County legislature sponsored the formation of the Orange County Funding Corporation (the "Corporation"), a component unit of 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.

#### **B. 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 applicable 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 principle operating revenue of the Agency are closing fees for bond and note issues as well as straight lease transactions. Operating expenses include personnel services and benefits, professional fees and planning services. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

**Orange County Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**C. Assets, Liabilities 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 Agency's deposits 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 deposit accounts, time deposit accounts and certificates of deposit.

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 Agency 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 Agency 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 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.

**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 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,



**Orange County Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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 had a bank balance of \$150,000 that was not covered by depository insurance and was 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 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.

**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 Agency's investment policy limits the amount on deposit at each of its banking institutions.

**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 are tangible and intangible assets, which include equipment, furniture, leasehold improvements and right-to-use assets, are recorded at cost, net of accumulated depreciation, except for contributed property and equipment, which is recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

The tangible and intangible property, plant and equipment and right-to-use assets of the Agency are depreciated/amortized using the straight line method over the following estimated useful lives.

**Orange County Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

<u>Class</u>	<u>Life in Years</u>
Equipment	5 years
Furniture	10 years
Leasehold Improvements	Life of Lease
Right-to-use leased buildings	Life of Lease

**Leases** - The Agency is a lessee for noncancellable lease of a building. The Agency recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the Statement of Net Position. The Agency recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise. The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

**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.

**Orange County Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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 Agency 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.

**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 19, 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 and a subscriber to recognize a subscription receivable and a deferred inflow of resources. The requirements of GASB Statement No. 96 are effective for the Agency's fiscal year ended December 31, 2023. The Agency 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.

**Orange County Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)  
December 31, 2023

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**Note 4 - Investments**

Investments held in the Agency 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	June 22, 2022	May 22, 2024	\$ 400,000
Certificate of deposit	May 24, 2023	February 20, 2024	1,500,000
Certificate of deposit	September 9, 2023	March 6, 2024	1,000,000
U.S. treasury bill	October 5, 2023	January 4, 2024	2,999,136
			<u>\$ 5,899,136</u>

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 25, 2023	March 26, 2024	<u>\$ 547,208</u>

Certificates of deposit and U.S treasury bills are not subject to provisions of fair value measurements as they are recorded at cost.

**Note 5 - Resiliency Loans - Component Unit**

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 Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)  
December 31, 2023

**Note 6 - Capital Assets**

The following is a summary of the changes in capital assets for the year ended December 31, 2023.

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Capital assets, being depreciated/amortized:				
Equipment	\$ 95,102	\$ -	\$ -	\$ 95,102
Furniture	19,940	-	-	19,940
Leasehold improvements	63,847	-	-	63,847
Right-to-use leased buildings	-	142,098	-	142,098
Total capital assets being depreciated/amortized	178,889	142,098	-	320,987
Less accumulated depreciation/amortization for:				
Equipment	80,449	7,986	-	88,435
Furniture	15,761	1,204	-	16,965
Leasehold improvements	19,789	1,637	-	21,426
Right-to-use leased buildings	-	31,577	-	31,577
Total accumulated depreciation/amortization	115,999	42,404	-	158,403
Capital assets, net	<u>\$ 62,890</u>	<u>\$ 99,694</u>	<u>\$ -</u>	<u>\$ 162,584</u>

**Note 7 - Voluntary Defined Contribution Plan**

The Agency can offer a defined contribution plan to all non-union employees hired after January 1, 2023. The employee contribution is not limited and the Agency will contribute 3%-5% based on the employee's contribution. Employer contributions vest after 365 days of service. There are two current employees that participate in the program.

**Note 8 - Long-Term Liabilities**

The following table summarizes changes in the Agency's long-term liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
Lease Payable	<u>\$ -</u>	<u>\$ 142,098</u>	<u>\$ 30,231</u>	<u>\$ 111,867</u>	<u>\$ 46,353</u>

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Continued)

December 31, 2023

**Note 8 - Long-Term Liabilities (Continued)****Leases Payable**

Leases payable as of December 31, 2023 is comprised of the following individual agreement:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2023
Buildings - 4 Crotty Lane	2023	\$ 142,098	April 2026	5.00 %	<u>\$ 111,867</u>

Interest expense of \$4,164 was recorded in the Statement of Revenues, Expenses and Changes in Net Position.

**Payments to Maturity**

The annual requirements to amortize the lease outstanding as of December 31, 2023 including interest payments of \$6,419 is as follows:

Year Ending December 31,	Leases		Total
	Principal	Interest	
2024	\$ 46,353	\$ 4,348	\$ 50,701
2025	48,724	1,966	50,690
2026	16,790	105	16,895
	<u>\$ 111,867</u>	<u>\$ 6,419</u>	<u>\$ 118,286</u>

**Note 9 - 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, 2023 (budget year 2024), the Agency designated resources in a total of \$300,000 for the shovel ready program and the Corporation designated resources in a total of \$2,451 for project expenditures.

## **Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

Notes to Financial Statements (Concluded)

December 31, 2023

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### **Note 10 - Conduit Debt Obligations, Revenue Bonds and Notes and Straight Lease Transactions**

Certain industrial revenue bonds and notes issued by the Agency are secured by property which is leased to companies and are retired by lease payments. The bonds and notes are not obligations of the Agency, the County or the State of New York. The Agency 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 Agency receives bond administration fees from the borrowing companies. The fee received by the Agency is a percentage of the project cost and the percentage depends on the industry sector of the project. Such administrative fee income is recognized immediately upon issuance of the bonds and notes or closing on leases.

### **Note 11 - 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.

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## **SUPPLEMENTARY INFORMATION**

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

## 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
Elant (Glenn Arden, Inc.) Bethel Community Mgmt 67 Springvale Road Croton on Hudson, NY 10520	7/1/1998	1/1/2028	5.70%	\$ 28,020,000	\$ 13,570,000	\$ -	\$ 13,570,000
St. Luke's Cornwall Hospital - 2001A 70 Dubois St. Newburgh, NY 12550	12/1/2001	12/1/2023	Fixed *	19,905,000	3,693,894	3,693,894	-
St. Luke's Cornwall Hospital - 2001B 70 Dubois St. Newburgh, NY 12550	12/1/2001	12/1/2023	Fixed *	7,015,000	1,307,022	1,307,022	-
St. Luke's Cornwall Hospital - 2006 70 Dubois St. Newburgh, NY 12550	6/22/2006	12/1/2023	Variable *	15,965,000	5,658,693	5,658,693	-
Tuxedo Place LP 40 Hospital Rd. Tuxedo, NY 10987	9/28/1999	8/1/2033	7.00%	10,500,000	9,815,000	-	9,815,000

\* - Not provided on confirmation

\*\* - Adjustments made 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	No	105	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	Exempt	No	0	55	-	-	-	-	-	-	-	-
1	Exempt	No	0	55	-	-	-	-	-	-	-	-
1	Exempt	No	0	55	-	-	-	-	-	-	-	-
1	Taxable	No	15	31	-	-	-	-	-	-	-	-

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

## Supplementary Information

## Statement of Indebtedness - Straight Lease

December 31, 2023

Project Name Owner Name and Address	Total Amount of Lease	Method of Financial Assistance, Other than the Tax Exemptions	Project Purpose Code	Not-for-profit	Original Estimate of Jobs to be Created
Stewart FBI LLC / 347 Avenue of the Americas 5554 Main St. Williamsville, NY 14221	\$ 4,500,000	N/A	8	No	10
360 Middletown Holdings, LLC 1428 36th St. Suite 200 Brooklyn, NY 11218	5,287,500	N/A	9	No	46
Allstate Fabrication 400 Belvale Rd. Chester, NY 10918	4,000,000	N/A	9	No	0
Amy's Kitchen 3000 Dutton Ave. Santa Rosa, CA 95407	106,745	N/A	9	No	681
BDL, LLC (USAI, LLC) 1126 River Rd. New Windsor, NY 12553	652,730	N/A	9	No	28
Blackhawk Development/McKesson 10 Hudson Crossing Dr Montgomery, NY 12549	85,200,000	N/A	8	No	164
Blooming Grove Hotel / Clear Key 65 Steuben Street Brooklyn, NY 11205	6,582,345	N/A	8	No	17
Carlisle Construction Materials 1275 Ritner Highway Carlisle, PA 17013	35,000,000	N/A	9	No	22
Coach Hudson Transit Lines 66 Tetz Rd. Chester, NY 10918	13,000,000	N/A	7	No	223
CPV Valley, LLC 50 Braintree Hill Office Park, Suite 300 Braintree, MA 02184	800,000,000	N/A	7	No	25
CRH Realty III, LLC (Monroe) 155 Crystal Run Rd. Middletown, NY 10941	32,183,712	N/A	1	No	200
CRH Realty VI, LLC (Walkill) 155 Crystal Run Rd. Middletown, NY 10941	14,638,700	N/A	8	No	200
CRH Realty VIII, LLC (Newburgh) 155 Crystal Run Rd. Middletown, NY 10941	30,850,054	N/A	8	No	237

Original Estimate of Jobs to be Retained	Tax Exemptions						
	Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions	
	County	Local	School				
0	\$ 13,513	\$ 12,756	\$ -	\$ -	\$ -	\$ 26,269	
0	4,649	2,673	31,358	46,335	-	85,015	
0	10,536	7,847	66,279	-	-	84,662	
0	5,272	6,139	38,784	-	-	50,195	
134	10,118	23,780	66,817	-	-	100,715	
0	35,343	19,971	232,767	-	-	288,081	
0	11,854	21,826	110,651	-	-	144,331	
0	73,377	41,462	500,541	-	-	615,380	
0	55,073	213,881	408,015	-	-	676,969	
0	159,052	84,419	918,826	-	-	1,162,297	
0	27,734	104,340	259,672	-	-	391,746	
300	65,677	42,783	-	-	-	108,460	
0	103,704	56,281	307,786	-	-	467,771	

(Continued)

**Orange County Industrial Development Agency**  
(A Discretely Presented Component Unit of the County of Orange, New York)

Supplementary Information  
Statement of Indebtedness - Straight Lease (Continued)  
December 31, 2023

Project Name Owner Name and Address	Total Amount of Lease	Method of Financial Assistance, Other than the Tax Exemptions	Project Purpose Code	Not-for-profit	Original Estimate of Jobs to be Created
Cross Roads Court Real Estate, LLC PO Box 10804 Newburgh, NY 12552	\$ 14,595,000	N/A	8	No	125
Danskammer Energy, LLC 994 River Run Rd. Newburgh, NY 12550	14,000,000	N/A	7	No	20
Dana Distributors 52 Hatfield Ln. Goshen, NY 10924	7,907,300	N/A	8	No	30
Fairbanks Manufacturing, LLC/Frito Lay 79 Industrial Place Middletown, NY 10941	6,500,000	N/A	9	No	119
Fiorello Pharmaceuticals, Inc. 325 W Huron St. No. 700 Chicago, IL 60654	154,576,000	N/A	9	No	179
GAM Property Corp 3 Hatfield Ln., Suite 2C Goshen, NY 10924	7,360,350	N/A	9	No	25
Hampton Park 1344 Rte 9 Castleton, NY 12033	2,237,000	N/A	2	No	34
Isomedix Operations 5960 Heisley Rd. Mentor, OH 44060	15,000,000	N/A	9	No	25
Leentjes Amusement Corp (dba The Castle) (2016 Expansion Project) PO Box 1032 Chester, NY 10918	2,750,000	N/A	8	No	12
Matrix Newburgh I, LLC 3 Centre Dr. Monroe Township, NJ 08831	72,036,976	N/A	9	No	121
Mediacom Realty, LLC 1 Mediacom Way Mediacom Park, NY 10918	40,770,000	N/A	7	No	150
Merlin Entertainments Group US Holdings, LLC P.O. Box 608 Goshen, NY 10924	328,500,000	N/A	5	No	1300
Millennium Pipeline PO Box 1565 Pearl River, NY 10965	80,700,000	N/A	7	No	350

Original Estimate of Jobs to be Retained	Tax Exemptions						
	Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions	
	County	Local	School				
0	\$ 37,712	\$ 37,106	\$ 242,730	\$ -	\$ -	\$ 317,548	
28	289,348	186,071	1,411,268	-	-	1,886,687	
24	4,896	21,927	47,273	-	-	74,096	
84	2,323	2,800	16,004	-	-	21,127	
1	16,848	7,002	49,287	616,563	-	689,700	
65	10,625	3,051	71,745	13,119	-	98,540	
29	4,608	2,205	31,055	-	-	37,868	
96	10,955	9,639	77,528	-	-	98,122	
48	1,427	357	-	-	-	1,784	
0	144,160	141,842	927,878	-	-	1,213,880	
250	34,799	29,489	269,267	-	-	333,555	
1	63,826	70,102	631,828	637,897	-	1,403,653	
0	145,600	140,700	1,154,650	-	-	1,440,950	

(Continued)

**Orange County Industrial Development Agency**

(A Discretely Presented Component Unit of the County of Orange, New York)

## Supplementary Information

## Statement of Indebtedness - Straight Lease (Continued)

December 31, 2023

Project Name Owner Name and Address	Total Amount of Lease	Method of Financial Assistance, Other than the Tax Exemptions	Project Purpose Code	Not-for-profit	Original Estimate of Jobs to be Created
Nowak Properties Inc. 386 Ingrassia Road Middletown NY 10940	\$ 6,300,000	N/A	2	No	17
Orange Inn, LLC 159-167 Main Street Goshen, NY 10924	3,300,000	N/A	8	No	17
Retford Investments (Piller Power Systems, Inc.) 45 Wes Warren Dr. Middletown, NY 10941	4,600,000	N/A	9	No	2
The Sentinel Realty at Port Jervis, LLC 167 Route 304, Suite 101 Bardonia, NY 10954	14,300,000	N/A	8	Yes	50
West Warwick Energy Storage 1 7 Times Square Tower, Ste. 3504 New York, NY 10036	7,703,704	N/A	*	No	0
West Warwick Energy Storage 2 7 Times Square Tower, Ste. 3504 New York, NY 10036	5,640,212	N/A	*	No	0
West Warwick Energy Storage 3 7 Times Square Tower, Ste. 3504 New York, NY 10036	6,156,085	N/A	*	No	0

\* - Not provided 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.



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Original Estimate of Jobs to be Retained	Tax Exemptions					
	Real Property Tax			Sales Tax	Mortgage Recording	Total Exemptions
	County	Local	School			
17	\$ 20,226	\$ 734	\$ 126,982	\$ -	\$ -	\$ 147,942
15	10,718	15,249	72,373	-	-	98,340
42	8,787	10,592	62,305	-	-	81,684
2	11,393	44,738	163,005	-	-	219,136
0	-	-	-	-	-	-
0	-	-	-	38,061	-	38,061
0	-	-	-	74,081	-	74,081

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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 Board of Directors of the  
Orange County Industrial Development Agency**

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 governmental activities and the discretely presented component unit of the Orange County Industrial Development Agency (a discretely presented component unit of the County of Orange, New York) ("Agency"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Agency basic financial statements, and have issued our report thereon dated March 19, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

March 19, 2024