

Orange County Funding Corporation

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

Financial Statements
and Supplementary Information

Year Ended December 31, 2025

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Orange County Funding Corporation

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

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Independent Auditors' Report

The Members of the Board of the Orange County Funding Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Orange County Funding Corporation (a discretely presented component unit of the Orange County Industrial Development Agency) ("Corporation"), as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of December 31, 2025 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 Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2026 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

PKF O'Connor Davies LLP
Harrison, New York
[REDACTED], 2026

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

Management's Discussion and Analysis (Unaudited)
For the year ended December 31, 2025

The following Management's Discussion and Analysis ("MD&A") of the Orange County Funding Corporation ("Corporation ") provides as an introduction and overview of the financial statements of the Corporation for the year ended December 31, 2025. 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 Corporation together with the notes to financial statements which are important to understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with the understanding of the Corporation's financial operations.

Financial Highlights for the Year 2025

- The Corporation's net position decreased by \$39,259 from \$1,867,240 to \$1,578,231.
- Revenues decreased by \$10,994 from \$83,181 to \$72,187.
- Operating expenses increased by \$238,756 from \$122,440 to \$361,196.

Summary of Operations

	Years Ended December 31,		Change
	2025	2024	
REVENUES			
Interest income	\$ 72,187	\$ 83,181	\$ (10,994)
EXPENSES			
Administrative	119,937	124,897	(4,960)
Projects and special initiatives	250,000	-	250,000
Loan program expenditures	(8,741)	(2,457)	(6,284)
Total Expenses	361,196	122,440	238,756
Change in Net Position	(289,009)	(39,259)	(249,750)
NET POSITION			
Beginning of year	1,867,240	1,906,499	(39,259)
End of year	\$ 1,578,231	\$ 1,867,240	\$ (289,009)

Financial Position Summary

Net position serves as an indicator of the Corporation's resources to conduct operations. The Corporation's net position was \$1,578,231 and \$1,867,240 on December 31, 2025 and 2024, respectively.

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

Overview of the Financial Statements

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

Required Financial Statements

The Financial Statements of the Corporation report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles generally accepted in the United States of America. The Statement of Net Position includes information on the Corporation's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Corporation's creditors (liabilities). The Statement of Revenues, Expenses and Changes in Net Position identify the Corporation's revenues and expenses for the year ended December 31, 2025. This statement provides information on the Corporation's operations over the past year and can be used to determine whether the Corporation has operated in a surplus or deficiency.

Financial Analysis of the Agency

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

Request for Information

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

Orange County Funding Corporation

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

Statement of Net Position

December 31, 2025

ASSETS

Cash and equivalents	\$ 83,973
Investments	1,501,927
Accrued interest receivable	15,844
Prepaid expenses	<u>4,769</u>
Total Assets	<u>1,606,513</u>

LIABILITIES

Accounts payable and accrued expenses	<u>28,282</u>
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NET POSITION

Unrestricted	<u><u>\$ 1,578,231</u></u>
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Orange County Funding Corporation

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Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2025

OPERATING REVENUES	<u>\$ -</u>
OPERATING EXPENSES	
Projects and special initiatives	250,000
Professional fees	114,755
Bad debt	(8,741)
Insurance	<u>5,182</u>
Total Operating Expenses	<u>361,196</u>
Loss from Operations	(361,196)
NON-OPERATING REVENUES	
Interest Income	<u>72,187</u>
Change in Net Position	(289,009)
NET POSITION	
Beginning of year	<u>1,867,240</u>
End of year	<u><u>\$ 1,578,231</u></u>

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Orange County Funding Corporation

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

Statement of Cash Flows
Year Ended December 31, 2025**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from closing and other fees	\$ 8,741
Cash paid for goods and services	<u>(364,724)</u>
Net Cash from Operating Activities	<u>(355,983)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	192,452
Interest income	<u>56,343</u>
Net Cash from Investing Activities	<u>248,795</u>

Net Change in Cash and Cash Equivalents (107,188)

CASH AND EQUIVALENTS

Beginning of year	<u>191,161</u>
End of year	<u><u>\$ 83,973</u></u>

**RECONCILIATION OF LOSS FROM OPERATIONS
TO NET CASH FROM OPERATING ACTIVITIES**

Loss from operations	\$ (361,196)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Prepaid expenses	(4,769)
Accounts payable and accrued expenses	<u>9,982</u>
Net Cash from Operating Activities	<u><u>\$ (355,983)</u></u>

See notes to financial statements.

Orange County Funding Corporation

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

Notes to Financial Statements

December 31, 2025

Note 1 - Organization

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

Note 2 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Accounting

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

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

C. Assets and Net Position

Cash and Equivalents, Investments and Risk Disclosure

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

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

Orange County Funding Corporation

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Notes to Financial Statements (Continued)

December 31, 2025

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Corporation's name. The Corporation's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025.

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

Orange County Funding Corporation

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

Notes to Financial Statements (Continued)

December 31, 2025

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Accrued Interest Receivable

Accrued interest receivable represents interest earned on the Agency's investments that has not been received as of the reporting date. Interest revenue is recognized as earned. Allowances are recorded when appropriate.

Prepaid Expenses

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

Revenue Recognition

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

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

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

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

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

Sometimes the Corporation will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Corporation's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Orange County Funding Corporation
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Notes to Financial Statements (Continued)
December 31, 2025

Note 2 - Summary of Significant Accounting Policies (Continued)

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 [REDACTED], 2026.

Note 3 - New Accounting Pronouncement

GASB Statement No. 102, “*Certain Risk Disclosures*”, provides guidance on disclosure for risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the Corporation’s fiscal year ended December 31, 2025. The Corporation’s operating revenues are primarily derived from bond and note closing fees and lease revenues. Management has determined that no events associated with this concentration have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 4 - Investments

Investments held in the Corporation at December 31, 2025 consisted of the following:

<u>Investment Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount</u>
Certificate of Deposit	October 12, 2025	July 12, 2026	\$ 600,000
U.S. Treasury Bill	March 20, 2025	March 19, 2026	462,531
U.S. Treasury Bill	October 2, 2025	October 1, 2026	439,396
			<u>\$ 1,501,927</u>

Certificates of deposit are not subject to the provisions of fair value measurements as they are recorded at cost. U.S. treasury bills were purchased with remaining maturities of one year or less and are reported at cost in accordance with the GASB guidance for short-term investments. Interest earned on the discount is recorded as accrued interest receivable at December 31, 2025.

Orange County Funding Corporation

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

Notes to Financial Statements (Concluded)
December 31, 2025

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, 2025, the outstanding principal balance was \$42,812 with an allowance for doubtful accounts of \$42,812 applied against that balance.

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

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

Note 7 - Recently Issued GASB Pronouncements

GASB Statement No. 103, “*Financial Reporting Model Improvements*”, has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104, “*Disclosure of Certain Capital Assets*”, has been issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 105, “*Subsequent Events*”, has been issued to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

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

SUPPLEMENTARY INFORMATION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Orange County Funding Corporation (a discretely presented component unit of the Orange County Industrial Development Agency) ("Corporation"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation basic financial statements, and have issued our report thereon dated [REDACTED], 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies LLP

Harrison, New York

[REDACTED], 2026

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Orange County Funding Corporation

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

Supplementary Information
 Statement of Indebtedness - Bonds and Notes
 December 31, 2025

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2025	Retired in 2025	Balance at 12/31/2025
Crystal Run Village (2018 OCFC Bond) 420 Schutt Rd. Middletown, NY 10940	12/27/2018	1/1/2049	*	\$ 9,200,000	\$ 8,118,655	\$ 200,468	\$ 7,918,187
Mount Saint Mary College - 2012A 330 Powell Avenue Newburgh, NY 12550	12/21/2012	7/1/2042	4.00%	20,355,000	15,045,000	605,000	14,440,000
Mount Saint Mary College - 2012B 330 Powell Avenue Newburgh, NY 12550	12/21/2012	7/1/2032	4.00%	15,905,000	7,985,000	900,000	7,085,000
Mount Saint Mary College - 2022A 330 Powell Avenue Newburgh, NY 12550	9/29/2022	7/1/2035	5.00%	17,240,000	16,605,000	1,170,000	15,435,000
Mountco - Walkkill Apts 700 White Plains Rd., Suite 363 Scarsdale, NY 10583	12/29/2017	1/1/2035	*	8,534,739	5,011,804	74,450	4,937,354
Mountco - Spring Valley Apts 700 White Plains Rd., Suite 363 Scarsdale, NY 10583	12/29/2017	1/1/2035	*	12,651,055	8,144,089	120,980	8,023,109
Mountco - Stony Point Apts 700 White Plains Rd., Suite 363 Scarsdale, NY 10583	12/29/2017	1/1/2035	*	8,814,206	4,784,629	65,283	4,719,346

* - Not provided on confirmation
 ** - Adjustments based on confirmation

Project Purpose Codes

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

See independent auditors' report.

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

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