

**Supplement
dated February 21, 2024**

to the

**Preliminary Official Statement
dated February 15, 2024**

relating to

COUNTY OF ORANGE, NEW YORK

\$28,136,178* PUBLIC IMPROVEMENT SERIAL BONDS – 2024

The following section has hereby been replaced:

BOND MATURITY SCHEDULE

**Principal Due: March 1, 2025-2037 inclusive
Interest Due: Semi-annually on March 1 and September 1 in each
year to maturity, commencing March 1, 2025**

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
March 1, 2025	\$1,291,178			
March 1, 2026	1,835,000			
March 1, 2027	1,900,000			
March 1, 2028	1,965,000			
March 1, 2029	2,035,000			
March 1, 2030	2,105,000			
March 1, 2031	2,180,000			
March 1, 2032	2,260,000***			
March 1, 2033	2,340,000***			
March 1, 2034	2,425,000***			
March 1, 2035	2,510,000***			
March 1, 2036	2,600,000***			
March 1, 2037	2,690,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the County following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds.

***Subject to prior redemption..

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 15, 2024

SERIAL BONDS
BOOK-ENTRY-ONLY BONDS

RATING – S&P GLOBAL RATINGS: “ ”
See “Bond Rating”, herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the County, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivision, including The City of New York. See “TAX MATTERS” herein.

The County will NOT designate the Bonds as “qualified tax-exempt obligations” pursuant to the provision of Section 265(b)(3) of the Code.

COUNTY OF ORANGE, NEW YORK
(the “County”)

\$28,136,178* PUBLIC IMPROVEMENT SERIAL BONDS – 2024
(the “Bonds”)

Dated: Date of Delivery

Principal and Interest Due: As shown on inside cover

SEE BOND MATURITY SCHEDULE HEREIN

Security and Sources of Payment: The Bonds are general obligations of the County of Orange, New York (the “County”), and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the County, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “Tax Levy Limit Law” herein).

Prior Redemption: The Bonds maturing on March 1, 2032 and thereafter are subject to redemption prior to maturity, at the option of the County, on March 1, 2031 and thereafter on any date, in accordance with terms described herein. (See “Optional Redemption of the Bonds”, herein).

Form and Denomination: The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Bonds. Individual purchases of the Bonds may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. (See “DESCRIPTION OF BOOK-ENTRY SYSTEM”, herein).

Payment: Payment of the principal of and interest on the Bonds will be made by the County to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. (See “DESCRIPTION OF BOOK-ENTRY SYSTEM”, herein).

Sealed bids for the Bonds will be received at 11:00 A.M. (Prevailing Time) on February 29, 2024, in accordance with the Notice of Sale dated February 15, 2024.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the County, and certain other conditions. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC on or about March 13, 2024 in New York, New York.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM “DEEMED FINAL” BY THE COUNTY FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”). FOR A DESCRIPTION OF THE COUNTY’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

, 2024

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

COUNTY OF ORANGE, NEW YORK

\$28,136,178* PUBLIC IMPROVEMENT SERIAL BONDS – 2024

BOND MATURITY SCHEDULE

Principal Due: March 1, 2025-2037 inclusive
Interest Due: Semi-annually on March 1 and September 1
in each year to maturity, commencing
March 1, 2025

<u>Year</u>	<u>Amount**</u>	<u>Rate</u>	<u>Yield or</u> <u>Price</u>	<u>CUSIP #</u>
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March 1, 2037	2,690,000***			

*Preliminary, subject to change.

**Amounts are subject to adjustment by the County following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds.

***Subject to prior redemption.



COUNTY OF ORANGE, NEW YORK

COUNTY EXECUTIVE

Steven M. Neuhaus

COUNTY LEGISLATORS

Katherine E. Bonelli, Chairwoman of the Legislature

Michael F. Amo
Mike Anagnostakis
Leigh J. Benton
Barry J. Cheney
Glenn Ehlers
Thomas J. Faggione
Kevin W. Hines
Kevindaryan Lujan
Joseph J. Minuta
James D. O'Donnell

Michael D. Paduch
Genesis Ramos
Paul Ruszkiewicz
Robert C. Sassi
Joel Sierra
Kathy A. Stegenga
Janet Sutherland
Laurie R. Tautel
Peter V. Tuohy

Kelly A. Eskew
Richard B. Golden, Esq.
Kerry Gallagher

County Clerk
County Attorney
Commissioner of Finance

* * *

Bond Counsel

Hawkins Delafield & Wood LLP
New York, New York

* * *

Prepared with the Assistance of

MUNICIPAL ADVISOR



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No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

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OFFICIAL STATEMENT

COUNTY OF ORANGE, NEW YORK

\$28,136,178* PUBLIC IMPROVEMENT SERIAL BONDS – 2024

[BOOK-ENTRY-ONLY BONDS]

This Official Statement and the appendices hereto present certain information relating to the County of Orange, in the State of New York (the “County” and “State,” respectively) in connection with the sale of \$28,136,178* Public Improvement Serial Bonds – 2024 (the “Bonds”) of the County.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds will be dated March 13, 2024, and will mature on March 1, in each of the years 2025 to 2037, inclusive, in the principal amounts as set forth on the inside cover page hereof.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof except for one necessary odd denomination. Purchasers will not receive certificates representing their respective interests in the Bonds. (See “*Book-Entry System*”, herein).

Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year to maturity, commencing March 1, 2025. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein. (See “*Description of Book-Entry System*”, herein).

The Record Date of the Bonds will be the fifteenth day of the calendar month immediately preceding each interest payment date.

The County Clerk will act as Fiscal Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The County’s contact information is as follows: Kerry Gallagher, Commissioner of Finance, County of Orange, 255 Main Street, Goshen, NY 10924, Phone (845) 291-2485 and email: KGallagher@orangecountygov.com.

Optional Redemption of the Bonds

The Bonds maturing on or before March 1, 2031 will not be subject to redemption prior to maturity. The Bonds maturing on March 1, 2032 and thereafter, will be subject to redemption, prior to maturity, at the option of the County, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after March 1, 2031, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County.

*Preliminary, subject to change

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Authorization and Purpose of the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the County Law, and various bond resolutions duly adopted by the County legislature, authorizing the following purposes:

<u>Purpose</u>	<u>Amount to Bonds</u>
Airport	\$ 1,057,167
Emergency Services	1,701,146
Information Technology	5,157,496
Landfill	2,019,048
SUNY Orange	221,497
Parks	2,027,592
Public Works	6,688,397
Veterans	104,688
Valley View	34,894
Other County-Wide Projects	9,124,253
Totals:	\$28,136,178

DESCRIPTION OF BOOK-ENTRY SYSTEM

DTC will act as Securities Depository for the Bonds. Such Bonds will be issued as fully registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of each series of the Bonds and deposited with DTC.

DTC is limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants") and together with Direct Participant, the ("Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers

of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC), and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the County takes no responsibility for the accuracy thereof.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

CERTIFICATED BONDS

If the Bonds are issued as book-entry bonds registered in the name of Cede & Co., DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that such book-entry system is discontinued, the following provisions will apply: The Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof, except for one necessary odd denomination. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the County as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

NATURE OF OBLIGATION

Each Bond when duly issued and paid for will constitute a contract between the County and the holder thereof.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the County has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the County, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. (See "*Tax Levy Limit Law*", herein).

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the County to levy taxes on real estate therefor. However, Chapter 97 of the New York Laws of 2011, as amended (the "*Tax Levy Limit Law*"), imposes a statutory limitation upon the County's power to increase its annual tax levy. As a result, the power of the County to levy real estate taxes on all the taxable real property within the County is subject to statutory limitations set forth in the Tax Levy Limit Law, unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

The County's credit rating could be affected by circumstances beyond the County's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of County property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the County's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of the holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the County to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The County is dependent in part upon financial assistance from the State in the form of State Aid as well as grants and loans to be received ("*State Aid*"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State Aid appropriated and apportioned to the County can be paid only if the State has such monies available. Should the County fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such monies, the County is authorized pursuant to the Local Finance Law ("*LFL*") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the County will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see “*Tax Matters*” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County, may affect the market price and/or marketability for the Bonds. (See “*Tax Levy Limit Law*” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the County could impair the financial condition of such entities, including the County and the ability of such entities, including the County, to pay debt service on the Bonds.

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the County default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. Each Bond is a general obligation contract between the County and the owners for which the faith and credit of the County are pledged and while remedies for enforcement of payment are not expressly included in the County’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the County. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the County to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the County and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the County to assess, levy and collect an *ad valorem* tax, upon all taxable property of the County subject to taxation by the County, sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy; however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State’s highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the County, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

Pursuant to Article VIII, Section 2 of the State Constitution, the County is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive

constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MUNICIPAL BANKRUPTCY

The undertakings of the County should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended (“Chapter IX”) and, in general, to other bankruptcy laws affecting creditors’ rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner’s creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the County could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the “indubitable equivalent”. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the County, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the Federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a financial control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the County in the future cannot be assured.

No current state law purports to create any priority for holders of the Bonds should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The above references to the Bankruptcy Act are not to be construed as an indication that the County is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State Legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity by the Governor reciting facts which in the judgment of the Governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State Legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of a local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State Legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

No Past Due Debt

No principal or interest payment on County indebtedness is past due. The County has never defaulted in the payment of the principal of and/or interest on any indebtedness.

THE COUNTY

General Overview

The County was established by an act of the Colonial Assembly of New York on November 1, 1683, as one of the ten original counties of New York. The County encompasses approximately 811 square miles and, according to the 2022 US Census Bureau estimate, had a population of 404,941. The County is located sixty miles northwest of the City of New York. The County is bordered by the Hudson River to the east, the states of Pennsylvania to the west and New Jersey to the southwest, and the counties of Sullivan and Ulster to the north and Rockland to the south.

Demographically, the County is suburban residential in nature; however, the County has large tracts of land devoted to farming, as well as three small cities which accounted for approximately 17% of the total population in 2022. The commercial and industrial base of the County has been centered primarily in the Newburgh and Middletown areas, both of which are located at the intersection of major highway systems. However, recent commercial and industrial development has been through a network of business parks located throughout the County. See “*Economic Development*” herein.

The County's employment base is quite diverse. A majority of the area workforce is employed in service and trade-related jobs. Data compiled by the United States Bureau of Economic Analysis for 2022 indicated that wholesale and retail trade accounted for 16% of employment in the area, while service employment accounted for an additional 39%. Government employment was 20% of the workforce, reflecting the presence of the United States Military Academy at West Point in the County. There are 40 non-governmental employers, which employ 300 or more people within the County. Garnet Health Medical Center is the largest employer with 2,524 employees. The County's annual unemployment rates have consistently been below the State and national levels. See *"Economic and Demographic Factors - Employment"* herein.

Agriculture continues to play an important role in the economy of the County. Based on data from the USDA's National Agricultural Statistics Service, New York Field Office for 2017, the most recent year available, there were approximately 600 farms in Orange County that covered approximately 81,192 acres which represents over 10% of the total area of the County. Various parts of the County have rich deposits of "black dirt" soil which is conducive to certain crops, including onions, lettuce, and celery. Fruit orchards are found throughout the County, especially in eastern areas. Vineyards and wineries are also found, including the Brotherhood Winery in Washingtonville, Warwick Valley Winery and Applewood Winery in Warwick. Dairy farming and horse breeding also represent important agricultural activities in the County.

Form of Government

The County operates under a charter form of government which provides for separate and independent executive and legislative functions with an elected County Executive and a 21-person County Legislature. This current form of government was adopted pursuant to the provisions of Local Law No. 8 of 1968 and became effective on January 1, 1970.

The County Executive is elected from the County at large for a term of four years with the right of unlimited self-succession. Such executive must be a qualified elector of the County and may not concurrently hold another public office. The County Executive is the chief executive officer responsible for the administration of all County affairs. The County Executive is required to approve all local laws of the County Legislature. Any local law which is not approved must be returned to the Legislature within 30 days, together with a written explanation for the disapproval or is otherwise deemed to have been approved by such Executive. The County Legislature may override a veto of the County Executive with a two-thirds vote of its membership.

The current County Executive, Steven M. Neuhaus, began his third term of office on January 1, 2022.

The County Legislature is the legislative, appropriating and policy making body of the County. The 21 members represent legislative districts of approximately equal population. Members are elected to serve four-year terms and may serve an unlimited number of terms. Duties of the Legislature include, among others: review and adoption of the County's annual budget; approval of budgetary modifications during the year; and authorization by resolution for the issuance of debt by the County. Legislative committees have been organized to oversee various aspects of County government. These committees are advisory in nature and formal actions must be approved by a vote of the Legislature as a whole. The County Legislature retains the services of an independent public accounting firm to audit the financial records of the County and issue their report thereon.

Other elected officials include the County Clerk, District Attorney and Sheriff who are elected from the County at large for terms of four years. The County Legislature adopted Local Law No. 11 of 2007 creating an Office of Medical Examiner in the County Health Department as of December 31, 2007, eliminating the elected coroners.

The chief fiscal officer of the County is the Commissioner of Finance who is appointed by the County Executive and confirmed by the County Legislature. The Commissioner of Finance is responsible for the administration of the financial affairs of the County. Duties of this position include collecting and disbursing County funds, investing such funds for temporary periods, issuing debt approved by the County Legislature, maintaining accounting records and preparing financial statements therefrom. The current Commissioner of Finance, Kerry Gallagher, took office in June 2022.

The following County departments, divisions, offices or boards report to the Executive Department: Office for the Aging, Airport, Board of Elections, Budget, Community Development, Consumer Affairs, Economic Development, Emergency Communications, Employment and Training Administration, Environmental Facilities and Services, Finance, General Services, Health, Historian, Human Resources, Human Rights Commission, Information Technologies, Law, Mental Health, Parks, Recreation & Conservation, Planning, Probation, Public Works, Real Property Agency, Risk Management, Social Services, Tourism, Valley View Center for Nursing Care and Rehabilitation, Veterans Services and Youth Bureau.

Employees

The County employs over 2,000 full-time employees (including Orange County Community College) to provide services to its citizens. Employees, other than management and certain professional positions, are represented by eight labor organizations recognized by the County and certified by the State Public Employees Relations Board under the provisions of the State's Taylor Law.

The following chart provides information on recent union membership and contract expiration dates:

<u>Union</u>	<u>Number of Employees Represented</u>	<u>Current Contract Expiration Date</u>
Orange County Local #836, CSEA, Inc., Local #1000 (A.F.S.C.M.E.), The County Employees' Unit ^a	1,452	12/31/23
Corrections Officers Benevolent Association (C.O.B.A.)	288	12/31/27
Orange County Deputy Sheriffs Police Benevolent Association	81	12/31/27
Orange County Community College Faculty Association	101	08/31/24
Orange County District Attorney's Officers Criminal Investigators' Association	15	12/31/27
Orange County Community College Staff and Chairman ^a	109	08/31/23
Orange County Local #836, CSEA, Inc., Local #1000 (A.F.S.C.M.E.), College Employees' Unit ^a	169	12/31/23
Orange County Local #836, CSEA, Inc., Local #1000 (A.F.S.C.M.E.), The Superior Officers' Officers Unit ^a	17	12/31/22
Total	2,232	

^a. Expired, currently in negotiations.

Municipal Services

Residents of the County receive a full range of services from the County government including: higher education (Orange County Community College); health services (Valley View Center for Nursing Care and Rehabilitation); highway maintenance and improvement; social services; mental health services; sewage treatment (Orange County Sewer District No. 1); enhanced 911 emergency response system; tax collections and enforcement (the County guarantees 100% of the taxes levied by the towns, villages and certain school districts within the County); parks, recreation, and culture; airport facilities; planning and development; emergency preparedness; consumer protection, employment training services, youth services, and veterans services.

Community College

The Orange County Community College (the "College") was established in 1950 with the County as the local sponsor under the provisions of Article 126 of the Education Law. The College is administered by a board of trustees consisting of nine voting members: five members are appointed by the County Legislature and four members by the Governor of the State. The College budget is subject to the approval of the County Legislature. One-half of the capital costs and approximately one-third of the operating expenses are paid for by the County. Title to real property of the College vests with the County. The County is responsible for the issuance of debt for College capital projects. Debt service on these bonds will be paid annually through County tax collections. The College reports its financial transactions on the basis of a fiscal year ending August 31. Certain financial information on the College may be found in this Official Statement and the appendices hereto.

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The County's annual contribution to the operation of the College and its student enrollments on a full-time equivalent (FTE) basis for the years 2013 through 2023 are presented below:

<u>Fiscal Year</u> <u>Ending August 31</u>	<u>Amount</u>	<u>Percent of</u> <u>College Budget (%)</u>	<u>Student FTE</u> <u>Enrollments</u>
2013	\$17,619,169	29.9	5,044
2014	17,619,169	29.5	4,924
2015	17,619,169	28.9	4,786
2016	17,959,169	29.8	4,745
2017	17,959,169	29.8	4,602
2018	17,959,169	30.1	4,531
2019	18,497,944	30.5	4,546
2020	19,052,882	30.7	4,202
2021	19,052,882	30.3	3,857
2022	19,624,469	31.1	3,337
2023	20,801,937	32.9	3,446

Sewage Treatment

The County created a sewer district in 1977, known as the Orange County Sewer District #1 (the “District”), with a treatment plant in Harriman, owned by the Orange County Sewer District, and a treatment plant in the Village of Kiryas Joel, which is leased by the Orange County Sewer District. The District includes the Villages of Harriman, Kiryas Joel, and Monroe as well as part of the Town of Monroe. Communities that are located outside of the District and served through Inter-Municipal Agreements are Woodbury, Town of Blooming Grove, Town of Chester, Village of Chester and part of the Town of Monroe. The current permitted capacity for the Harriman wastewater treatment plant is 6 million gallons per day (MGD). The wastewater treatment plant leased by the County from the Village of Kiryas Joel has a permitted capacity of 0.97 (MGD). The two treatment plants, with the combined capacity of 6.97 MGD serves approximately 16,000 properties within the County. Of the 16,000 properties, 9,000 are located within the District and 7,000 are “out of district”. Most County residents rely on their individual municipalities and individual on-site septic systems for wastewater treatment services. The most recent upgrade to the facility was completed in 2006.

The County created and initiated an Industrial Pretreatment Program to regulate the effluent discharge from industrial users as mandated by the United States Environmental Protection Agency.

The County plans to expand the capacity of the Harriman plant beyond the current 6 MGD to 9 MGD to accommodate growth in the Southern area of the County. Environmental review for the expansion, pursuant to the State Environmental Quality Review Act (SEQRA), is in process. Upon completion of SEQRA, the Orange County Sewer District will work with the New York State Department of Environmental Conservation to design the plant expansion and obtain the required State Pollutant Discharge Elimination System Permit for the increase in capacity.

Solid Waste

The County is not responsible for the collection of solid waste generated by residents and businesses within the County. Solid waste is collected by certain communities either directly or through contractual agreements with private waste carters, while in other communities the homeowners or businesses must contract individually for this service with private vendors.

The County operates three transfer stations and is responsible for the operation and maintenance of each transfer station. Transfer Station One is located in New Hampton, New York, number two is located in Newburgh, New York, and number three is in Port Jervis, New York. A private contractor is responsible for disposal of the solid waste and charges the County a fixed price per ton. The price covers transportation and disposal of the solid waste. The County, in turn, collects a tip fee from residents, municipalities and private carters who deposit solid waste at the transfer station. Solid waste services are funded by a combination of user fees and property taxes.

At Transfer Station Two in Newburgh, the County is nearing the completion of demolition of the Commercial side of the transfer station facility and restoration of the property. This portion of the transfer station was closed at the end of November 2019. Bids for its replacement were not implemented due to costs over the budgeted estimate. The station’s Citizen Drop-off Area for

bagged garbage, recyclables, electronics, TV's, monitors, tires, scrap metal, appliances, and paper remains open to Orange County residents. A Citizen Drop-off Area is also available at Transfer Stations One and Three.

All material brought to Transfer Station Two and Transfer Station Three is transported by the County to Transfer Station One for hauling and processing of recycling items and disposal of bagged garbage by the County's vendors.

Local haulers have implemented single stream recycling in much of the County. The single stream commodities are brought to Transfer Station One in Goshen, loaded onto trailers and transported to a recycling facility in New York City.

A new feature, a Food Scraps Composting Facility, will be added to Transfer Station One. Currently, the County is waiting on a fully approved Permit Modification from New York State Department of Environmental Conservation Region 3 (NYSDEC) to convert the site, which is currently a Yard Waste Composting facility, to accept and process food scraps. The County has recently received a conditional permit from the NYSDEC for the facility.

The County conducts four, two-day long Household Hazardous Waste events each year. Businesses can dispose of hazardous waste for a fee, by appointment, on the Friday of each event. Homeowners can dispose of Household Hazardous Waste at no cost on the Saturday of each event, without an appointment. A private vendor runs the events along with County staff. The materials collected are processed by the vendor hired by the county.

Orange County Water Authority

The County created a Water Authority (the "Authority") in 1987 pursuant to provisions of the State's Public Authorities Law. Under the original plan, the Water Authority was to construct and operate a countywide supply and distribution system at an estimated cost of \$200 million. A feasibility study released in early 1992 indicated an insufficient demand for this project and the need for substantial operating subsidies from the County. The County was unwilling to support the project at the levels indicated.

The current mission of the Authority is to address the future water supply needs of the County. Towards that end, the Authority is engaged in the following activities: study of County groundwater resources, implementation of groundwater and wellhead protection programs, implementation of a countywide water conservation program and implementation of intermunicipal water supply capital improvements.

The County established a designation of fund balance to underwrite the start-up costs associated with the Authority. A total of \$25 million was contributed to this designation between 1987 and 1990. For the last several years, the advances to the Authority from the General Fund have been classified as non-spendable to indicate that the loan will not be collected in the current fiscal year. Likewise, such loan has been classified as a liability in the Statement of Net Position and as a liability in the financial statements of the Authority. The classification of the liability is reflected in the Government Wide Audited Financial Statements. Although the County has initiated plans to generate revenue with smaller scale projects, there is a recognition that a large-scale project is unlikely to happen within the next three to five years.

Beginning with the audited financial statement for the fiscal year ending December 31, 2015, the County established an allowance against this receivable with an offsetting expenditure charge in the general government support section of the budget as an allowance for the uncollectible Authority receivable. The effect of the adjustment reduced the total fund balance of the County's General Fund by approximately \$29 million. However, the amount previously reported in the non-spendable portion of that fund balance was also eliminated. The financial operations of the County's General Fund were not affected, as there was no impact on the General Fund's annual cash flow or unassigned fund balance.

Valley View Center for Nursing Care and Rehabilitation

Valley View Center for Care and Rehabilitation (the "Facility") is a 360-bed skilled nursing facility established and operated under provisions of Article 6 of the General Municipal Law. Although a County Department, the operations of the Facility are accounted for as an enterprise fund within the County's General-Purpose Financial Statements. The Facility was established as an enterprise fund of the County in 1984. All assets or liabilities used for, or arising from, the operations of the Facility are owned by or are the responsibility of the County. All expenditures relating to the Facility are paid by the County.

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Indirect costs from other County departments attributable to shared services have been charged to the Facility based on allocations from the most recent cost allocation plan for the County.

The Facility also completes its own financial statements prepared by an independent auditor on an annual basis. The last such audit for fiscal year ending December 31, 2022, is available upon request.

The County is committed to the long-term retention of the Facility and is exploring opportunities to increase revenues through further efficiencies. The County has also been approached by private investors looking to build on surrounding County-owned land with complementary health care services to increase the presence of the existing Facility.

Other Entities

The County has 3 cities, 21 towns and 20 villages, as well as numerous school districts, fire districts, library districts and other special improvement districts located wholly or partially within the County's borders. The towns, villages, school districts, fire districts, library districts and other special improvement districts have independent debt and taxing powers. The County is required by law to guarantee and enforce the unpaid real property taxes of the towns and certain school and other districts. In addition, the County has, by local law, opted to guarantee and enforce the unpaid real property taxes of the villages. Cities, on the other hand, by the adoption of their local ordinances pay the County the full amount of the County levy within its boundaries and must enforce all taxes inside such cities.

Some of the services provided by the cities, towns, and villages in the County include road maintenance, parks and recreation, planning and zoning, police protection, tax assessment and local courts. The school districts are responsible for primary and secondary education.

TRANSPORTATION

The County is served by an extensive network of transportation which has been a valuable tool in its economic development. Virtually all major forms of transportation are available in the County.

In recent years, the County has been one of the fastest growing counties in New York State, with its increasing residential development, population growth, commercial development accompanied by increasing car, truck, bus, rail and air traffic. Located at the geographic center of the Boston to Washington corridor of 40 million people and the northern fringe of the NY-NJ-CT-PA metro area, the County has both regional and metropolitan transportation connections. The County is located at the crossroads of three intersecting interstate highways: Interstate 84, the New York State Thruway (Interstate 87) and future Interstate 86 (NYS Route 17). These highways give the County unparalleled highway access to New England and the greater Northeast. A byproduct of the County's interstate road access is a clustering of distribution, warehouse, and regional retail uses near the interstate highways.

Highway System

The County is served by an excellent highway system which promotes commerce and facilitates the movement of goods. Major highways include: the New York State Thruway (Interstate 87) which runs north and south through the eastern portion of the County, Interstate 84 which runs northeast and southwest across the County, and future Interstate 86 (NYS Route 17) which runs southeast and northwest through the County. Taken together they form a triangle crossing at Newburgh, Middletown and Monroe-Woodbury-Harriman.

Interstates 84 and 87 intersect in the Town of Newburgh near Stewart International Airport. Substantial commercial and industrial development has occurred in this area and the Port Authority of New York and New Jersey, which now operates the airport, is in the midst of a substantial airport capital improvement program. Stewart Airport benefits from a new Interstate 84 interchange (Exit 5A) and new direct roadway access. Interstates 84 and 87 were recently directly interconnected through a major capital project by the NYS Thruway Authority. These and other public and private initiatives will likely encourage further development in the area.

Interstate 84 intersects with NYS Route 17 in the Middletown/Walkkill area, which has also seen strong development activities in recent years. Development includes several office parks, a number of medical facilities, and multiple regional retail uses including the 1.2 million square foot Galleria Mall. From this area west into the Sullivan County and the NY Southern Tier, the NYS Department of Transportation (NYSDOT) has recently completed substantial capital construction to achieve federal interstate standards. NYSDOT has recently completed another major capital construction project at NYS Route 17 Exit 122/Crystal Run Road, which will substantially improve both the interstate and local roads in this area and provide access to the recently completed Garnet Health Medical Center (formerly Orange Regional Medical Center Hospital). Another major road transportation improvement was completed in 2016 with the direct interconnection of the Galleria Mall roadway and the Orange Plaza roadway on the other side of NYS Route 17. These major highways and capital improvements, together with a developed network of secondary routes, provide County businesses with easy access to regional and national markets.

Highway Freight

Because of its location at the crossing of NYS Route 17 and Interstates 84 and 87, which are main routes to and from New York City, New England, Canada and the mid-West, Orange County is an important center and conduit for freight movements. Truck freight serves local businesses and a growing number of distribution and warehousing operations, some of which are also served by rail. A substantial number of trucks are simply passing through. NYSDOT estimates that 25% of the traffic volume on Interstate 84 is truck traffic. Efficient movement of goods in and through Orange County is important to both the regional economy and to New York State and beyond. The major freight, distribution, and warehousing operations are clustered near Interstate 84 Exit 5 in Montgomery, near Interstate 84 and Interstate 87 near Stewart International Airport in the Towns of Newburgh and New Windsor, and near NYS Route 17 in the Towns of Chester and Wallkill.

Rail Freight

The two major rail freight operators in the County are CSX and Norfolk Southern. CSX and Norfolk Southern are the only Class I operators within the County, operating over 100 miles of track. The largest carrier is CSX which operates approximately 52 trains per day on the west shore River Line along the Hudson River. This line passes the length of the county (22 miles) extending north and south into Ulster and Rockland Counties. Double-stack cars are currently being used by CSX on the River Line. CSX also operates a six-mile short line known as the Newburgh Industrial Track, extending from the Newburgh waterfront to Cornwall with one train per day.

Norfolk Southern (NFS) operates from Port Jervis to Tuxedo on the same track leased to Metropolitan Transportation Authority (MTA) Metro-North Railroad (Metro-North) for the Port Jervis Line. NFS operates approximately two to four freight trains each day on that line and also operates three short lines. One of these, the Hudson Secondary, extends 20 miles from the Town of Montgomery to the Town of Warwick with approximately two trains operating per day. Two additional short lines run from Hamptonburgh to Montgomery and Walden. These lines are known as the Maybrook Industrial Track (seven miles in length) and the Walden Secondary (6 miles in length). Approximately one train operates on each of these lines per week. NFS also operates a one-mile section of track within the Town of Warwick. One train runs on this track per week, which is known as the Belvidere Industrial Track.

The County is also served by the New York Susquehanna and Western (NYS&W) and Middletown & New Jersey (M&NJ) railroads. NYS&W has trackage rights over Norfolk Southern's Southern Tier Line and also owns about four miles of track between Warwick and the New Jersey state line. M&NJ operates over 19 miles of track.

Marine Freight

The Hudson River, which forms the eastern border of the County, has a deep-water channel suitable for oceangoing vessels as far north as Albany. Deep draft vessels can be berthed at the City of Newburgh. Barges can use docks at several locations along the County's Hudson River shoreline. The Hudson River also affords direct access to the Erie and Champlain Barge Canals and the Great Lakes - St. Lawrence Seaway Route. Orange County is a member of the Hudson River Valley Greenway, for which State and Federal funds are available to enhance access to and recreational use of the Hudson River. Newburgh-Beacon ferry service complements the Haverstraw-Ossining high-speed ferry service. Both ferry services can provide enhanced access to MetroNorth passenger rail services. The port of Newburgh is served by rail currently operated by CSX.

Public Transit

The County has growing regional and local public transit services, encompassing a variety of modes: commuter rail, intercity commuter and local bus services, van pools, and demand responsive dial-a-bus services.

Passenger Rail Services

The Metropolitan Transportation Authority (MTA) Metro-North Railroad (Metro-North) provides commuter passenger service to the New York and New Jersey metropolitan areas. Orange County is served directly by the Metro-North Port Jervis Line (operated by New Jersey Transit) and the Metro-North Hudson Line on the east shore of the Hudson River. The Port Jervis Line service has Orange County stations at Tuxedo, Harriman, Salisbury Mills, Campbell Hall, Middletown, Otisville and Port Jervis. Port Jervis Line service continues into New Jersey, with connecting rail services to New York City at the new Secaucus Junction station and PATH and ferry services to lower Manhattan at Hoboken Terminal. Connecting bus and ferry services to the Hudson Line station at Beacon are provided from multiple locations in Orange County, with direct highway access on the Interstate 84 Newburgh-Beacon Bridge. Orange County residents also access the Hudson Line at the Peekskill, Garrison and Croton stations. Connections to Amtrak can be made from both the Hudson Line and the Port Jervis Line. Ferry service operates between Newburgh and Beacon Station by NY Waterway under contract to Metro-North.

MTA Metro-North continues a substantial capital investment program for the Port Jervis Line track, having completed modernizations at all its Orange County station facilities and begun work on a new bi-directional cab signal system. The railroad completed major repairs to the line following flooding from Hurricane Irene and Tropical Storm Lee in 2011. Metro-North is presently working on Phase 2 of the West of Hudson Regional Transit Access Study, which could result in the recommendation of major new capital improvements, e.g., a future rail spur between Salisbury Mills/Cornwall and Stewart Airport that would serve both commuters and airport passengers. As part of this study, Metro-North is also evaluating options for capacity improvements to the Port Jervis Line, including a new Mid-Point Yard and double-tracking between Sloatsburg and the eastern approach to Moodna Viaduct.

Regional Bus Services

The County is served by local and commuter bus transit services provided by 18 transit operators many sponsored by the County using state and federal aid. These include substantial New York City express commuter services as well as localized fixed route and demand responsive dial-a-bus and paratransit services.

Coach USA/Shortline (Coach USA) is the largest provider of bus service in and through Orange County. Coach USA serves over 1.6 million Orange County passengers annually. Most of the service is provided along Interstate 84, NYS Route 17, and Route 32/Interstate 87/Route 9W corridors. Coach USA provides major commuter service to New York City running 76 trips per day to and from Orange County during the morning and evening peak hours. Coach USA also provides service to the East Side of Manhattan via the George Washington Bridge and operates the Orange Westchester Link (OWL) which provides service to the White Plains area. Due to its growing commuter services and relationship with Orange County, in May 2014 Coach USA opened its new headquarters and bus operations center in the county near the Chester interchange from NYS Route 17. Coach USA commuter services are focused on the growing network of state-owned park and ride lots in Orange County, which provide free parking for transit and ridesharing. Other commuter bus services are provided by Monroe Bus, Monsey Trails, New Jersey Transit, and Adirondack Trailways.

Local Bus Services

Local fixed route bus systems operate in and around the Cities of Newburgh and Middletown and the Village of Kiryas Joel. New fleets of hybrid diesel-electric buses purchased by Orange County with federal funding began service in all three areas in 2013. The County is also working with the Newburgh area bus operator to substantially increase the local service area and number of buses.

There are presently eight Dial-a-Bus services in Orange County, all municipally operated, which currently lease County-owned vehicles for their operations. Dial-a-Bus services provide transportation services to meet the needs of the general public as well as particular individuals such as the disabled and elderly.

Orange County is responsible for local transit coordination and the administration of Federal, State and other funding for local transit operations. These coordination and administrative functions reside principally within the Orange County Planning Department, which also provides principal staff support for the Orange County Transportation Council. Information on all transit services in and through the County is available through its web portal.

Air Services

Commercial airline service is available at New York Stewart International Airport located in the northeastern portion of Orange County. Presently, they are providing domestic air service through Allegiant, providing non-stop and connecting service to numerous destinations in the United States. In 2022, a \$37 million permanent U.S. Customs inspection area was completed in preparation for the increase in the international travel demand in the Hudson Valley Region. Additionally, in June of 2022, Play Airline was welcomed to Orange County as an international carrier with non-stop daily flights to Reykjavik Iceland. This strategic new route connects New York Stewart International Airport to 22 additional European destinations. In August 2023, New York Stewart International Airport welcomed Atlantic Airlines which offers non-stop flights to the Faroe Islands. In February 2024, Breeze Airways will be operating flights to Orlando and Charleston. New York Stewart International Airport has been operated by the Port Authority of New York-New Jersey since 2007. The airport, located near the intersection of Interstates 84 and 87, now has new entrances, one with immediate access to Interstate 84. A state-of-the-art control tower was commissioned by the Federal Aviation Administration in 2006. Open 24 hours a day, the tower is staffed by Federal Aviation Administration certified air-traffic controllers. In 2015, the Port Authority built a \$10 million regional crime lab for the New York State Police as part of an agreement that ensures the police force continues to guard and protect the airport. Since the Port Authority took over the airport in 2007, it has invested more than \$218 million to make improvements.

New York Stewart International Airport continues to grow as a major air cargo facility. Freight services at the airport are offered by Federal Express, United Parcel Service, US Postal Service, Kalitta and DHL. The development of land in the surrounding area and the provision of air cargo storage and handling facilities at the airport are expected to continue this growth. The airport is home to the New York Animal Inspection Center and a USDA inspection center. With its 12,000-foot main runway, New York Stewart International Airport is also home to the 105th Airlift Wing of the New York Air National Guard.

New York Stewart International Airport employes about 1,100 people. Airport activity supports more than \$125 million in annual economic activity as well as more than 600 additional jobs and \$46 million in annual wages. More than half of the capital projects initiated by the Port Authority were awarded to local firms and contractors.

The United States Department of Commerce has granted to the County a Foreign Trade Zone #37. For customs purposes, goods entering the Foreign Trade Zone are not considered to have entered the Country and are not subject to duties and tariffs until they officially enter U.S. commerce. The Foreign Trade Zone offers a significant competitive advantage and savings to its business clients. It keeps local manufacturing jobs in demand and opens foreign markets to County based firms. Additionally, Foreign Trade Zone status was recently granted by the U.S. Department of Commerce to properties located at the City of Newburgh waterfront, New York Stewart International Airport, and at the Goshen Westgate Business Park. This status will increase access for domestic businesses to international markets.

In addition to New York Stewart International Airport, residents of the County have access to extensive passenger services at three metropolitan New York/New Jersey airports located approximately 60 miles south of the County.

The County also owns, and is home to, a regional general aviation airport. Orange County Airport, in the Town of Montgomery, eases congestion in the commercial centric airports in the region. Orange County Airport has over 175 business and privately based aircraft, annually supports 100,000+ operations including takeoffs and landings, and has several aviation-based businesses onsite providing dozens of local jobs. Currently, the Federal Aviation Administration, in conjunction with New York State and the County, are investing over \$12 million and collaborating on several infrastructure and hangar projects at the airport. These projects will make the airport better suited and capable of hosting additional corporate and general aviation activities. The Airport is one of the primary facilities in the area that is fully compliant with Federal Aviation Administration runway safety requirements and is host to a state-of-the-art instrument landing system for utilization in corporate, commercial and flight training operations.

The County also has two smaller private airports which accommodate general private aviation pursuits. Randall Airport in the Town of Wallkill and Warwick Airport in the Town of Warwick both support a range of aviation activities which include gliders, balloons, ultra-lights, flight instruction and private aircraft both modern and antique.

Multi-Use Bicycle & Pedestrian Trails

The Orange County Heritage Trail, running along the former Erie Railroad right of way, is the County's premier paved pedestrian multi-purpose trail. Presently, about 95 percent of the trail has been completed, running from the Village of Harriman to East Main Street, Middletown, New York. This section of the completed trail was designated in 2007 by the Secretary of the Interior as a National Recreation Trail. The County is presently working to design and construct the western section of the Heritage Trail from East Main Street to Ingrassia Road, in Middletown, New York. When completed, the trail will be over 20 miles in length, with a possible future expansion in the southern end of the County which could go into Harriman State Park.

The Village of Walden and Town of Montgomery have completed a four-mile section of the Wallkill Valley Rail Trail, connecting into Ulster County and the hamlet of Wallkill. Through the work of these municipalities and others in Ulster County, this trail connects with another trail in Ulster that will eventually extend all the way to the City of Kingston.

EDUCATIONAL, RECREATIONAL, CULTURAL AND MEDICAL INSTITUTIONS

Education

Primary and secondary education is the responsibility of the various public-school districts located within the County, as well as a number of private and parochial schools. Higher education is available at Mount St. Mary's, a four-year institution located in the City of Newburgh offering undergraduate and graduate degrees in various fields of study and at Marist College which operates a satellite campus in the Village of Goshen. The United States Military Academy at West Point is also located within the County. The New York University Medical Center Institute of Environmental Medicine is located in Sterling Forest in the Town of Tuxedo. Other colleges which operate extensions in the County include Empire State, Columbia University, C.W. Post/Long Island University and John Jay College. Orange County Community College awards associate degrees in a number of fields. The Orange County Community College has two campuses, in the City of Middletown and the City of Newburgh. Touro College of Osteopathic Medicine opened a campus in the fall of 2014 in the City of Middletown. In 2018, a satellite campus for Orange County Community College was opened in Port Jervis.

Recreation and Culture

The County offers a broad range of diverse recreational and cultural opportunities to its residents and visitors. An extensive network of Federal, State, County and municipal parks offers a wide variety of sporting activities such as boating, hiking, swimming, equestrian, fishing, skiing, tennis, pickle ball and golf. Nearly 20 percent of the County's land is protected for recreation, parkland, or open space. The County's 3,474 acres of parkland boasts seasonal activities, including but not limited to picnic sites, play equipment, athletic fields, tennis courts, two golf courses, campsites, four historic sites, an arboretum, equestrian rings and two dog parks. The County's 19.5 +/- mile paved/unpaved Heritage Trail currently links communities from eastern Orange County to Middletown for hikers, bicyclists, bird watchers, skaters, joggers, and nature lovers. The Appalachian Trail began here, and now crosses the County through its network of parks and trails on its way to Maine or Georgia.

The United States Military Academy at West Point is a popular destination that includes numerous attractions. The historic United States Military Academy is home to the West Point Museum and Fort Putnam, as well as Eisenhower Hall which hosts major cultural and artistic events including Broadway plays, musical concerts, and dance ensembles. Army football draws large crowds as do other athletic events, open to the public. West Point, Woodbury Common Premium Outlets and Legoland are three of the most popular tourism destinations outside of New York City found in the County.

Proud of its role in the American Revolution, the County boasts numerous museums and historic sites. New Windsor Cantonment, George Washington's Headquarters, Fort Decker, and General Knox's Headquarters portray various aspects of this time in our nation's history. At the Delaware & Hudson Canal Park, walk the well preserved one-mile section of the historic Delaware & Hudson Canal where two boys and mules once guided boats of coal, as you marvel at the imposing abutments of John Roebling's Aqueduct located in Sullivan County. Brick House and Hill-Hold Museums, authentic 18th century manor houses with hands on exhibits, are both operated by the County. The National Purple Heart Hall of Honor features the names of Purple Heart recipients and preserves the stories of America's servicemen and women wounded or lost in combat. The museum is located at the site where General George Washington presented the Military Merit as the award was known in that time.

Museum Village in the Town of Monroe depicts small town life with its collection of 19th century buildings. The Harness Racing Museum has interactive exhibits including a 3-D simulator where you can ride a sulky to victory. The Goshen Historic Track is one of the oldest harness tracks in the world. Hudson Highlands Nature Museum and Discovery Center offers indoor and outdoor displays on the local environment with exhibits of living native animals.

An international destination, the Storm King Art Center is the country's leading outdoor sculpture park, displaying huge works by major artists over its 600 acres. Crawford House has an excellent collection of paintings by the Hudson River School, from the first arts movement in the United States begun in the early 1800's. The Sugar Loaf Arts and Craft Village has been home to accomplished craftsmen and women for over 250 years. Gillinder Brothers, established in 1861 in Port Jervis, tours visitors through one of the oldest glass manufacturers in the U.S.

The Hudson Valley is the oldest wine producing region in the country, and the County is home to Brotherhood, the oldest winery in the nation. Tours of its vast underground cellars include sipping wine in its stylish tasting room. Excellent vintages can also be found at the County's six other wineries, Applewood, Clearview, Demarest Hill, Orchard Hill Cider Mill, Palaia and Warwick Valley. The scenic "Black Dirt" area continues to be one of the largest growing areas in New York State, producing a bumper crop of farm stands, picking farms, and community farmers' markets offering locally grown produce, breads, honeys, jams, herbs, and flowers.

Medical

County residents are provided a wide range of inpatient and outpatient medical services through the five hospitals located within the County: Garnet Health Medical Center (Middletown); Cornwall Hospital (Cornwall); Bon Secours Hospital (Port Jervis); St. Anthony's Community Hospital (Warwick); and St. Luke's Hospital (Newburgh). In addition to the aforementioned hospitals, the County administers a variety of programs to help those in need of health services through its Departments of Health and Mental Health, including patient services, ambulatory clinic services, home health services, health education, environmental health and social work. Valley View Center for Nursing Care and Rehabilitation provides nursing for long-term care patients and service for chronic respiratory diseases. There are other long-term care facilities in the County, as well as the Glen Arden Life Care and Retirement Community which provides a continuum of care for senior citizens. Hospice of Orange County cares for the terminally ill and the needs of their family.

Utilities

Central Hudson Gas & Electric, Orange & Rockland Utilities and New York State Electric & Gas Corporation provide all of the gas and substantially all of the electricity to County residents. The New York State Power Authority provides a small amount of electricity. Both Central Hudson and Orange & Rockland are major employers and taxpayers in the County.

Municipal water and sewer services are provided by the three cities in the County, and by many of the villages and larger towns. Less developed areas of the County continue to rely upon private wells for water and septic systems for sewage disposal.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

County population has increased by at least 9,000 people in the last decade. Population growth in the County has outpaced both the State and the nation as a whole. Orange County has the third fastest growing population in the State, increasing at a rate of 7.64 percent between 2010 and 2020, trailing only behind Kings County and Queens County at 9.24 percent and 7.83 percent respectively.

Population Trends

The following table sets forth population statistics for the County and the State.

<u>Year</u>	<u>Orange County</u>	<u>State of New York</u>
1990	307,647	17,990,455
2000	341,367	18,976,457
2010	372,813	19,378,102
2020	401,310	19,514,849
2021	404,525	19,835,913

Source: U.S. Bureau of the Census.

Income Data

	Per Capita Money Income			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2021^a</u>
County of Orange	\$ 21,597	\$ 28,944	\$ 35,616	\$ 39,507
State of New York	23,389	30,791	40,898	47,421
	Median Household Income			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2021^a</u>
County of Orange	\$ 52,058	\$ 69,523	\$ 80,816	\$ 89,037
State of New York	43,393	55,603	71,117	79,557
	Median Family Income			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2021^a</u>
County of Orange	\$ 60,355	\$ 82,480	\$ 97,542	\$ 104,053
State of New York	51,691	67,059	87,270	92,454

a. Based on American Community Survey 5-Year Estimates (2017-2021)

Source: U.S. Bureau of the Census.

Economic Development

Economic Development, job creation and expanding the tax base continues to be a top priority for Orange County Government over the past decade, under the leadership of County Executive Steve Neuhaus. Orange County has a comprehensive economic development program, comprised of highly regarded and successful partner agencies, which work together to support economic development in Orange County. Our economic development team aggressively attracts new businesses, promotes growth and expansion of current businesses, and works hard to retain existing companies and businesses.

In cooperation and coordination with the Orange County Partnership for Economic Development, the Orange County Industrial Development Agency, Foreign Trade Zone #37 (FTZ), Orange County Chamber, Orange County Tourism and Film, Orange County Employment and Training and several federal, state, and regional agencies, the Office of Economic Development works to advance strategic economic development efforts, while providing business assistance. Our mutual mission is to advance the prosperity and economic wellbeing of Orange County residents by creating and retaining valuable jobs, promoting commerce and industry, and working to improve the quality of life for all.

The Office of Economic Development works on behalf of the executive branch of the Orange County Government to support job creation efforts and expanding the tax base. The Office operates Orange County's Foreign Trade Zone. Established in 1978, the FTZ enables enterprises located in and around Orange County to defer or eliminate duties paid on imported goods and raw materials. These benefits provide significant cost savings and other efficiencies to local companies such as Konica Minolta, Takasago Fragrances, The Gap and Findlays Tall Timbers. The FTZ is an important incentive tool that helps bring business and industry to Orange County as American reshoring of manufacturing continues to be an important focus.

The Orange County Partnership is a private, not-for-profit, office of economic development that conducts critical business development activities designed to help attract, grow, and retain quality employers in Orange County. The Orange County Partnership's team of economic development professionals works with commercial real estate brokers, developers, site selection firms and regional and statewide economic development agencies to find the most advantageous and cost-effective locations for corporate attractions and expansions.

The Orange County Industrial Development Authority is one of the most progressive Industrial Development Authorities in New York State. Its mission is to promote economic development through a program of incentives that assist in the construction, equipping and maintenance of specific types of projects and facilities. The Industrial Development Authority assists with strategic planning and business plan development, identifies resources to help companies grow to the next level or to capitalize an investment in facilities, equipment, or technology.

The Orange County Chamber of Commerce provides great business resources and provides advocacy for the business community. The Chamber is a critical component in supporting businesses in Orange County and helping to ensure their long-term success.

This talented team of economic development partner agencies works cohesively and aggressively to attract viable sectors, exciting companies, and, most importantly, quality high-paying jobs to Orange County. The impressive roster of companies that already call Orange County home includes several Fortune 500 firms, household names and other fast-growing enterprises.

Orange County is the crossroads of the northeast. Orange County is less than 60 miles from New York City, has a robust highway system with three interstates, several commuter and freight rail routes, a Hudson River deep seaport and, at the center of it all, New York Stewart International Airport. These resources are located at the center of 18 percent of the nation's population, and 20 percent of the nation's gross domestic product where 52 million people can be reached within a one-day ground footprint. New and expanding companies have leveraged these factors, along with an extraordinary inventory of commercial land and real estate to help keep Orange County growing, regardless of the national economic climate.

In addition to the strategic business advantages that Orange County has to offer, the rich landscape, which includes a diversity of settings from bustling cities to bucolic towns and villages, and rolling hills and farmland to lakes and forests, continues to draw corporations and entrepreneurs. This idyllic backdrop is dotted with historical settings like the United States Military Academy at West Point and George Washington's Revolutionary War headquarters, even Brotherhood, America's oldest winery. We are known for craft beer, apple picking, cider at Angry Orchard and local distilleries and farm markets. For these reasons and more, film and television production has taken off locally, bringing new jobs and economic opportunities to Orange County and to the greater Hudson Valley region.

The following represents highlights of attraction and expansion projects that Orange County has celebrated:

LEGOLAND New York
Tesla
Poly Craft
Royal Wine - Kedem
PharmaCann
Pratt Industries
Gan Jing World
Urban Art Projects (UAP)
Northwell Health
Graft Cider
Aspire Brewing
Amazon
McKesson
AmerisourceBergen
Medline
Angry Orchard (Boston Brewing Co.)
Konica-Minolta
Home Depot
Staples
Cardinal Healthcare
Mediacom
United Technologies
United Natural Foods
Choice Film/Umbra Stage
Anheuser-Busch

Poly Craft Industries (City of Middletown) – Ground was broken in the City of Middletown on Poly Craft Industries new cutting-edge manufacturing facility where they will be making various laminated and non-laminated plastic products used in packaging. They have developed an environmentally conscious packaging facility with new, state-of-the-art equipment to manufacture high-end packaging materials for customers like Serta Mattress, Whole Foods and Jelly Belly. This new 80,000 square foot building represents an investment of \$30 million and will create 100 good paying jobs.

Tesla – (Town of Newburgh) – Matrix Development’s 927,000 square foot facility on Route 300 is underway to be the home of Tesla’s electric vehicle distribution center. The facility will start with 150 full-time employees, which will double in the coming years.

LEGOLAND New York (Town of Goshen) – Legoland New York is in full operation and has become a major economic generator for Orange County. One thousand new jobs have been created and Legoland brings 2.5 million visitors to the area. The summer of 2023 saw the addition of a new spray park and further expansions are in the works including new rides and another hotel.

Choice Films / Umbra Studios (New Windsor) – Former catering hall, Anthony’s Pier 9, has been converted into a movie production studio and sound stage set to open in early 2024 now that the Hollywood Strike is resolved. This is a great reuse of a 100,000 square foot facility that creates 330 jobs and abundant economic spinoff in the trades, small business, and the arts. Productions like the Academy Award winning “The Whale”, “Poker Face” and “White House Plumbers” are among the many productions being filmed in Orange County.

Gan Ging World (City of Middletown)- Gan Jing World, a “family-friendly” social media company, has relocated its offices from Silicon Valley in California and Texas to the City of Middletown, investing \$8.5 million. Some 200 employees are expected to be working at the newly renovated Fulton Street offices. The company describes its mission as one “to create a ‘clean world’ platform of knowledge and information free of corruptible and provocative content”.

Royal Wine – Kedem (Goshen) – Royal Wine/Kedem is one of the largest manufacturers of Kosher wine and grape juice. They are moving their entire manufacturing, production, and distribution to Orange County. Building construction is well underway at their site on 17M in Goshen which will house a 560,000 square foot building with over \$17 million being invested and 150 permanent jobs created.

Amazon (Towns of Montgomery & New Windsor) – Amazon’s 1 million square foot e-commerce fulfillment center in Montgomery is up and running. The \$75.2 million facility, developed by Bluewater Industrial Partners, employs more than 800 people in the Town of Montgomery. Amazon has another 3,000 square foot building in New Windsor with another 300 employees.

Medline (Town of Montgomery) – Medline has completed building a 1.3 million square foot, \$120 million distribution center in Montgomery, adding another 300 new jobs over the next five years. This building is environmentally conscious as it now has the largest rooftop solar project in New York State.

Wineshipping.com (Town of Wawayanda) – The former Medline facility in Wawayanda has been converted into a distribution center for Wineshipping.com., a major wine distributor. This project represents \$18 million in capital investment with 90 permanent jobs.

Resorts World (Town of Newburgh) – Resorts World opened a new video Casino in the Town of Newburgh last year and it has been a major attraction. 90,000 square feet have been renovated in the former Newburgh Mall to create 225 permanent jobs, representing \$36 million in capital investment.

City Winery (Village of Montgomery) – City Winery Hudson Valley successfully opened in the Village of Montgomery in June 2020. The breathtaking \$12 million, 50,000 square foot facility, created in a 207-year-old former wool mill, includes a full-production winery, restaurant and tasting room. This destination hosts weddings, events and live music creating more than 100 new jobs. Additionally, the developer is working to restore the former **Borden Milk Factory** in Walden. This creative adaptive reuse project will be a destination winery and hotel and is expected to begin in 2024.

The schedules on the following pages provides information concerning the trends in economic development within the County.

County Economic and Social Development Information

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Amount of Retail Sale (In Billions)*</u>	\$7.73	\$8.01	\$7.43	\$9.46	\$10.07	\$9.84
<u>County Residential Sale (Excludes Condo/Townhouse Sales)**</u>						
Units Sold (New & Existing)	3,483	3,673	3,998	4,453	3,763	2,794
Average Days on Market	98	92	86	55	51	58
Annual Median Sales Price	258,750	271,000	315,000	367,000	400,000	425,000
Annual Average Sales Price	280,220	288,900	337,996	393,786	437,183	456,744
<u>Education Attainment (25 Years Old +)***</u>						
High School Graduate (Inc. Equivalency)	71,284	71,028	N/A	N/A	N/A	N/A
Associate's Degree	28,070	24,870	N/A	N/A	N/A	N/A
Bachelor's Degree	44,179	42,291	N/A	N/A	N/A	N/A
Graduate or Professional Degree	30,659	31,344	N/A	N/A	N/A	N/A
Percent High School Graduate or Higher	90.00%	89.70%	N/A	N/A	N/A	N/A
Percent Bachelor's Degree or Higher	29.30%	30.30%	N/A	N/A	N/A	N/A

Source: *Orange County Department of Finance

**Orange County Association of Realtors/Orange County Department of Real Property

***U.S. Census Bureau, American Community Survey

County Industrial and Office Information

Industrial Space (Million Square Feet)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Square Feet	19.7	19.7	20.1	20.9	21.0	21.2	22.5	22.7	23.1	23.5
Vacancy Rate (%)	7.2	5.8	5.0	4.0	3.3	3.2	1.8	1.2	2.0	0.8

Office Space (Million Square Feet)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Square Feet	4.1	4.2	4.4	4.4	4.5	4.7	4.7	4.7	4.8	4.8
Vacancy Rate (%)	10.0	10.2	9.7	9.7	9.5	9.1	9.8	9.4	10.3	10.5

Source: Mansfield Commercial Real Estate.

Building Permits

Each of the respective Towns are responsible for the administration of the NYS Building Code, NYS Fire Prevention Code, the NYS Energy Code, Planning and Zoning regulations, the Federal Flood Plain Regulations and various other local laws administered and enforced by each Town Board. The Building Department of each Town schedules building construction inspections, receives complaints concerning all areas of code administration, maintains records and collects fees for any operations that require fee collection for permits. A building permit is required for new homes, additions, alterations, manufactured homes, and accessory structures. Accessory structures most commonly include detached garages, sheds, decks, gazebos and swimming pools. The Towns review permits for code conformance, inspect new construction, make fire code inspections, and inspect for code enforcement problems.

Employment

Employed Yearly Average Civilian Labor Force

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
County	178,300	178,400	181,600	182,200	188,686	188,580	196,910	197,730
State	9,561,900	9,557,100	9,561,400	9,574,700	10,085,219	10,032,721	10,331,727	10,279,583

Source: Local Area Unemployment Statistics, NYS Department of Labor

Occupations and Class of Worker (2022)

	<u>New York State</u>	<u>Orange County</u>
<u>Occupation (%)</u>		
Management, Business, Sciences, and Arts	44.4	38.6
Service Occupations	19.1	18.6
Sales and Office Occupations	19.9	22.4
Natural Resources, Construction and Maintenance	6.9	9.1
Production, Transportation and Materials	9.7	11.2
<u>Class of Worker (%)</u>		
Private Wage and Salary Workers	78.1	76.8
Government Workers	16.1	18.7
Self-Employed	5.6	4.3

Source: 2018-2022 American Community Survey, U.S. Census Bureau.

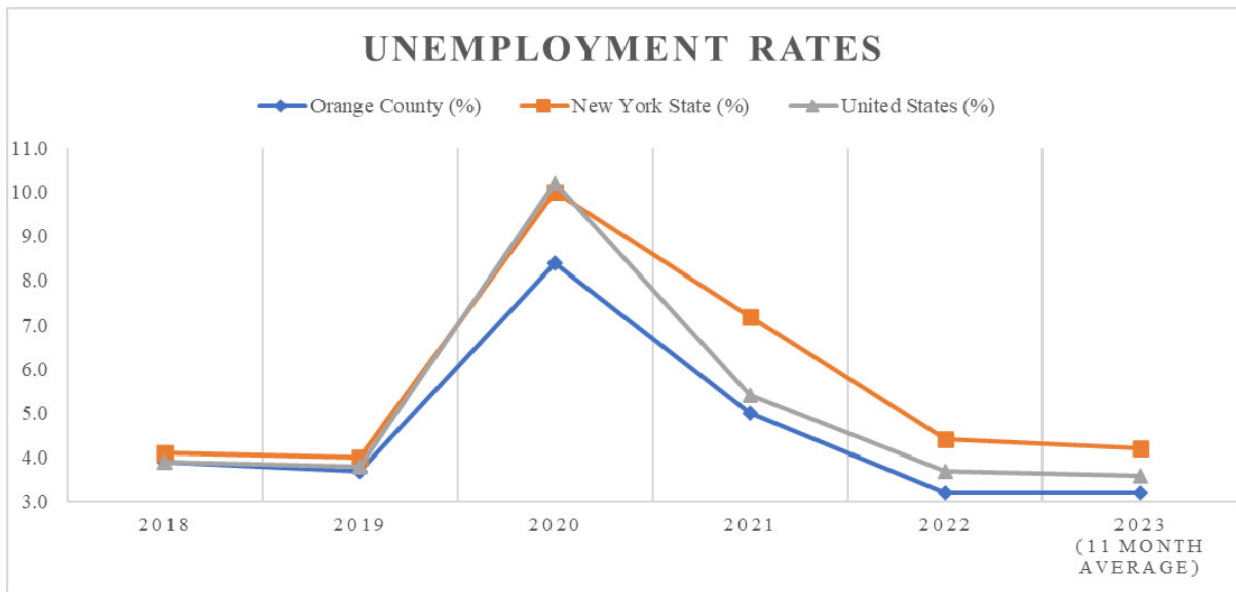
Employment by Industry

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>
<u>Industry (%)</u>							
Agriculture, Forestry, Fishing, Hunting and Mining	0.8	0.9	1.7	1.0	0.9	1.1	0.7
Construction	5.8	5.8	8.1	6.1	6.4	6.8	7.3
Manufacturing	7.5	7.2	5.5	6.8	7.0	5.3	6.3
Wholesale Trade	3.4	2.8	3.3	3.1	3.3	4.4	3.1
Retail Trade	13.8	14.3	13.5	12.8	13.0	12.8	12.7
Transportation, Retail and Utility	6.2	6.7	5.6	5.8	6.3	6.4	6.8
Information	2.5	2.8	1.8	2.5	2.4	2.5	2.3
Finance, Insurance, Real Estate, Rental and Leasing	5.8	5.2	5.4	6.0	5.3	5.9	5.9
Professional, Scientific, Management, Administrative, Waste Management	9.0	8.4	9.2	9.0	8.9	9.4	9.6
Educational, Health and Social Services	25.7	25.8	26.4	24.3	27.2	28.6	27.5
Arts, Entertainment, Recreation, Accommodation and Food Services	8.0	8.5	7.6	7.8	7.8	4.8	6.7
Other Services (Except Public Administration)	4.7	4.2	4.8	8.3	4.7	4.9	4.8
Public Administration	6.8	7.4	7.1	6.4	6.8	7.1	6.2

Source: U.S. Census Bureau.

Yearly Average Unemployment Rates

<u>Annual Averages:</u>	<u>Orange County (%)</u>	<u>New York State (%)</u>	<u>United States (%)</u>
2017	4.6	4.7	4.3
2018	3.9	4.1	3.9
2019	3.7	4.0	3.8
2020	8.4	10.0	10.2
2021	5.0	7.2	5.4
2022	3.2	4.4	3.7
2023 (11 Month Average)	3.2	4.2	3.6



Source: New York State Department of Labor, U.S. Bureau of Labor Statistics

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Major Employers in The County
(300 or more employees)

Name	Type	Estimated Number Of Employees
United States Military Academy at West Point	Colleges & Technical Institutes	4000
Garnet Health Medical Center	Healthcare	2524
Orange County Government	Government	2103
Crystal Run Health	Healthcare	2050
Access: Supports for Living	Non-Profit Organizations	1400
St Luke's Cornwall Hospital	Healthcare	1247
Elant, Inc.	Healthcare	1200
Amscan, Inc.	Manufacturing & Distribution	800
C & S Wholesale Grocers, Inc.	Distribution	800
Empire Blue Cross/Blue Shield	Service	795
Spectrum Enterprise	Communications	750
Bon Secours Community Hospital	Healthcare	598
Cornerstone Family Healthcare	Healthcare	550
Amscan, Inc.	Distribution	525
The ARC of Orange County	Non-Profit Organizations	525
Here's Help Staffing & Recruiting	Staffing Services	500
Horizon Family Medical Group	Healthcare	500
Kolmar Laboratories Inc	Manufacturing	500
Mirabito Energy Products	Distribution	500
Staples, Inc.	Distribution	460
Verla International LTD	Manufacturing	445
YRC Worldwide	Cargo & freight	435
Adecco	Service	400
United Natural Foods, Inc (UNFI)	National Distributor of Natural, Organic and Specialty Foods	400
Mediacom Communications Corp	Communications	395
Times Herald Record	Distribution/Publishing	395
Crystal Run Village Inc	Non-Profit Organizations	391
SUNY Orange	Education	379
Mid-Hudson Processing and Distribution USPS	Distribution	359
Allegiance Healthcare-Cardinal Health	Distribution	350
IBM Business Continuity & Resiliency Services	Service	350
Mount Saint Mary College	Education	350
Precision Pipeline Solutions	Utilities	350
St. Anthony Community Hospital	Healthcare	342
Medline Industries, Inc.	Distribution	340
Superior Pack Group Inc.	Packaging & labeling	325
BFY Brands - Popcorners	Food Manufacturing	311
CoachUSA	Transportation	300
Milmar Food Group	Manufacturing	300
Newburgh Auto Auction	Service	300
Pratt & Whitney	Proprietary thermal barrier coating for Pratt & Whitney engines only	300
President Container Inc.	Manufacturing	300

Source: OC Partnership as of 01/19/24

*SUNY Orange as of 01/01/24

HOUSING DATA

Housing Stock

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2014</u>	<u>2016</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
County	110,814	122,754	137,107	138,349	138,441	141,147	144,264	137,561	139,757
State	7,226,891	7,679,307	8,108,211	8,123,585	8,153,309	8,232,039	8,362,971	7,652,666	7,774,308

Source: 2018-2022 American Community Survey, U.S. Census Bureau
U.S. Department of Commerce, Bureau of the Census 1990, 2000 and 2010.

Median Housing Values and Rents

	<u>2000</u>		<u>2010</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>	
	<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>	<u>County</u>	<u>State</u>
Median Value - Owner Occupied Units	\$144,500	\$148,700	\$ 286,600	\$296,500	\$278,400	\$325,000	\$325,100	\$368,800	\$371,600	\$400,400
Gross Rent - Renter Occupied Units	\$ 714	\$ 672	\$1,077	\$1,020	\$1,294	\$1,376	\$ 1,398	\$ 1,409	\$ 1,565	\$1,499
Occupancy Status										
Owner Occupied	62.7%	48.7%	62.9%	48.1%	65.7%	51.8%	70.7%	55.4%	67.3%	54.1%
Renter Occupied	30.8%	43.2%	28.0%	40.6%	24.7%	36.9%	29.3%	44.6%	32.7%	45.9%
Vacant	6.5%	8.1%	9.1%	11.3%	9.6%	11.3%	N/A	N/A	N/A	N/A

a. Includes units for occasional use and units temporarily vacant pending sale, rental or the conclusion of the rental or sale process.

Sources: U.S. Bureau of the Census: Census 2000, 2010, 2020, 2021 and 2022 American Community Survey.

INDEBTEDNESS OF THE COUNTY

Constitutional Requirements

The State Constitution limits the power of the County (as well as other municipalities and school districts of the State) to issue obligations and contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the County and the Bonds:

Purpose and Pledge. The County shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the County has authorized the issuance of indebtedness having substantially level or declining annual debt service. The County is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The County is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the County's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the General Municipal Law and the County Law.

Pursuant to the Local Finance Law, the County authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the County Legislature, except in the event that the County determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, bonds issued in anticipation of the sale of bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such bonds were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

In addition, under each bond resolution, the County Legislature may delegate, and has delegated, power to issue and sell bonds and notes, to the Commissioner of Finance, the chief fiscal officer of the County.

In general, the Local Finance Law contains similar provisions providing the County with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The County has the power to contract indebtedness for any County purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the County by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the County to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

The following pages set forth certain details with respect to the indebtedness of the County.

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of February 15, 2024)

<u>Fiscal Year ending Dec 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Full Valuation</u>
2020	\$13,460,613,017	38.34	\$35,108,536,821
2021	13,824,005,479	36.56	37,811,831,179
2022	14,084,809,787	36.01	39,113,606,740
2023	14,415,974,588	31.67	45,519,338,769
2024	15,006,283,244	28.14	53,327,232,566
Total Five-Year Full Valuation			\$210,880,546,075
Average Five-Year Full Valuation			42,176,109,215
Debt Limit - 7% of Full Valuation			2,952,327,645
Inclusions:			
Various Purpose Bonds			\$212,880,656
Bond Anticipation Notes			<u>0</u>
Total Indebtedness			<u>212,880,656</u>
Appropriations for Bonds			29,280,656
Appropriations for Notes			-
Total Exclusions			<u>29,280,656</u>
Total Net Indebtedness Before Issuing the Bonds			<u>183,600,000</u>
The Bonds			\$28,136,178
Less: BANs Being Redeemed by the Bonds			0
Net Effect of Issuing the Bonds			<u>28,136,178</u>
Total Net Indebtedness Before Issuing the Bonds			<u>211,736,178</u>
Net Debt Contracting Margin			<u><u>\$2,740,591,467</u></u>
Per Cent of Debt Contracting Margin Exhausted			7.17%

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the County has no short-term debt outstanding.

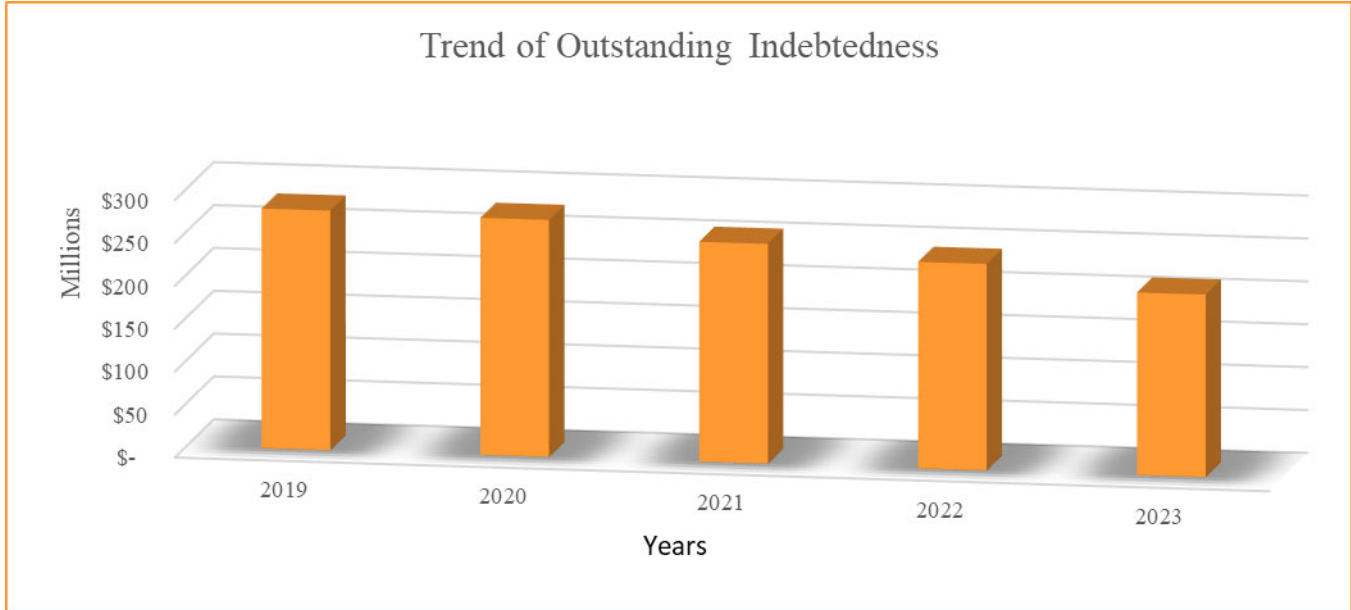
Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 29,280,656	\$ 6,987,780	\$ 36,268,436
2025	25,983,000	5,774,140	31,757,140
2026	26,367,000	4,690,734	31,057,734
2027	23,065,000	3,651,858	26,716,858
2028	23,805,000	2,858,719	26,663,719
2029	15,935,000	2,246,973	18,181,973
2030	13,905,000	1,763,878	15,668,878
2031	14,320,000	1,359,352	15,679,352
2032	14,750,000	949,750	15,699,750
2033	8,585,000	615,240	9,200,240
2034	8,840,000	355,694	9,195,694
2035	<u>8,045,000</u>	<u>110,825</u>	<u>8,155,825</u>
 Total	 \$ <u><u>212,880,656</u></u>	 \$ <u><u>31,364,941</u></u>	 \$ <u><u>244,245,597</u></u>

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Trend of County Indebtedness

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Outstanding End of Year:					
Bonds	\$279,525,000	\$276,472,000	\$256,390,000	\$240,805,656	\$212,880,656
Bond Anticipation Notes	-	-	-	-	-
Total Outstanding Debt	\$279,525,000	\$276,472,000	\$256,390,000	\$240,805,656	\$212,880,656



Source: Audited financial statements of the County 2019-2022
 Unaudited financial statements of the County 2023

In addition to the County, various other political units within the County have the power to incur indebtedness payable from property taxes on property located in the County. The following table includes the total outstanding principal amount of debt issued by other political units within the County.

Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
Cities	\$ 159,607,551	\$ 77,159,004
Towns	156,925,611	102,031,111
Villages	178,517,032	77,782,430
School Districts	495,764,992	92,232,301
Fire Districts	31,837,889	31,837,889
Totals	\$1,022,653,075	\$381,042,735

Source: Special Report on Municipal Affairs published by the Office of the State Comptroller for the most recent year or more recent Official Statements.

Debt Ratios

The following table sets forth certain ratios relating to the County's indebtedness as of the date of this Official Statement.

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage of Full Value (%)^b</u>
Total Direct Debt	\$ 212,880,656	\$ 526	0.399
Net Direct Debt	183,600,000	454	0.344
Total Direct & Applicable Total Overlapping Debt	1,186,220,414	2,932	2.224
Net Direct & Applicable Net Overlapping Debt	1,156,939,758	2,860	2.170

a. The current population of the County is 404,941 (U.S. Census – 2022)

b. The County's full value of taxable real property for 2023-24 is \$53,327,232,566.

Long-Term Lease Agreements for County Offices

The County has several long-term lease agreements for County office space in the Cities of Middletown, Newburgh, and Port Jervis, as part of an urban initiative undertaken by the County.

In the City of Newburgh, the County entered into a sublease with GEMMA Development Company, LLC (Gemma) for 45,600 square feet of office space in the old Armory building at 145 Broadway to consolidate County satellite offices serving the Newburgh and eastern Orange County areas. Gemma was a tenant of the Newburgh Industrial Development Agency (Newburgh IDA), the owner of record. This was a 20-year lease with two, five-year extensions. The building was renovated, and final occupancy occurred in May 1998. There is some dispute as to the initial starting date of the lease, which appears may be December 1997, which would make the initial ending date December 2017. The 2022 annual lease costs of the premises were \$836,232, including rent of \$727,776. The County agreed to an assignment of their lease payments to a trustee for \$5,700,000 Newburgh IDA, 1996 Taxable Industrial Development Revenue Bonds (GEMMA Development Company, LLC Facility), issued to finance the cost of rehabilitating the space. The County ceased making lease payments to any party thereafter and had been putting rental payments into escrow since November 2017, waiting for accounting of payments on Bonds with the Newburgh IDA and Wells Fargo Bank. In December 2022, the County paid the Newburgh IDA the funds held in escrow for past due rental payments due for the period from November 2017 through December 2022. The total amount paid to the Newburgh IDA at such time was \$3,760,176. The County is now under a new two-year lease with the Newburgh IDA, the owner of record for the Armory, with rental payments calculated on the reduced area presently occupied by the County with an annual rent of \$476,469. This figure for rent is based on the old rent of \$12.00 per square foot of building area and \$0.91 per square foot of parking lot area and the new square footage presently occupied by the County. The details of the expenses were not available at this time but are assumed would also be reduced accordingly. The plan is for the departments of Probation and the District Attorney to be moved to another building at 4 Corwin Court in Newburgh pending the outcome of ongoing negotiations, while the rest of the County departments that are in the Armory are to be moved into the County's Maple Building after the NYS Social Security Administration moves out later this year.

Also in Newburgh, the County had a 20-year lease with RAC Development of Newburgh LLC for 25,000 square feet for County offices for the Health Department, County Clerk, and Department of Motor Vehicles in the old Woolworth building at 128 Broadway. This was a fixed rate, triple net lease for \$172,500 per year for 20 years, which ended October 2022, and is now month-to-month pending a possible renewal. The cost of taxes and common charges are additional to the lease. The annual lease cost for 2022 was \$217,920, including the rent payments of \$172,500.

In the City of Port Jervis, the County reduced office space occupied with 150 Pike Street Limited Partnership on July 1, 2022, from 10,450 square feet to 5,450 square feet by moving Orange County Probation, Department of Social Services, Health Department, and Department of Social Services into a smaller building at 17-19 Sussex Street. The remaining space at 150 Pike Street, used by the Office of Mental Health, is on a three-year extension through June 30, 2025, with rents increasing at CPI; rent was \$44,242 per quarter for the first half of 2022 and is now \$23,074 per quarter for the second half of the year and first half of 2023. Annual expenses were \$33,875, with quarterly cleaning expenses now down to \$4,585 for the reduced Office of Mental Health space. The other departments moved temporarily into 1,730 square feet in 17-19 Sussex Street and took over the rest of the building in April 2023 after the last tenant moved out. The new five-year lease commenced April 15, 2022, and included free rent until October 15. Rent is \$16.25 per square foot or \$2,342.71 per month for the 1,730 square feet and therefore is \$5,857 for the two-and-one half months of 2022. The County took over the remainder of the building in April after the previous tenant left, making the new rent \$6,545 per month. Expenses for the building are estimated at approximately \$45,000 per year.

In the City of Middletown, the County leases 5,500 square feet of office space with Crawford House LLC for the Middletown Motor Vehicle office at 12–14 Kings Street. In September 2023, the County signed a new lease for one year with a one-year renewal at \$52,500 per year. The County is considering moving the DMV at the end of this lease if a better location can be found.

The County relocated certain County offices and additional leased space in the Goshen area into less expensive space at 30-40 Matthews Street from Goshen Shopping Assoc. at a reduced cost including all heat, electric, and common charges through December 31, 2028. The rent started at \$14.00 per square foot and went to \$15.00 per square foot in July 2022 for lease years Five through Seven. The space was also expanded by 816 square feet when the Department of Social Services took over an adjoining suite in April 2022, for a total area of 44,789 square feet and a projected annual rent of \$671,835.

The County also leases 5,840 square feet at 14–15 Scotchtown Ave for the Legal Aid Office and the Goshen Court Plaza for \$78,870 in 2022, as well as 10,533 square feet at 1997 Route 17M from Seneco Enterprises for \$139,029 for the Goshen Probation Office. These are gross leases that include all heat, electric, common charges, and taxes.

Lease Revenues

In April of 2008, Orange County purchased property on Broadway in the City of Newburgh for a new Orange County Community College Campus branch. It included two existing office buildings: The Tower Building at 1 Washington Center currently used by the Orange County Community College and the Maple Building at 3 Washington Center. The Maple Building has the following tenants with leases:

- Federal Government, Department of Social Security Administration: 13,856 square feet with annual rent of \$292,291. Ten-year lease that has been extended through February 29, 2024; the tenant has just asked for another six-month extension, with base rent increasing 5%.
- New York State Department of Labor and Orange County Office of Employment and Training: 13,200 square feet with annual rent of \$184,800 (\$14.00 per square foot) on a month-to-month basis.
- Orange County BOCES: 9,000 square feet with annual rent of \$63,500.

The County owns the Middletown Community Campus at 18 Seward Avenue in Middletown. It is a 65,000 square foot office building used by the following County offices: Probation, Social Services, Health, Employment & Training / NY Labor Department and Community Development. The entire third floor of 21,528 square feet is leased to Cornell Cooperative Extension with an annual rent of \$265,000 that was just extended for five years through October 1, 2027.

At 38 Seward Avenue in Middletown, Honor EHG, a Homeless Family Shelter, leases from the County 45,000 square feet for a 20-year lease at an annual rent of \$316,791. The lease runs to January 1, 2030.

In December of 2013, the County entered a sublease with Orange-Ulster Board of Cooperative Education Services (BOCES) for a 9,182 square foot kitchen (7,870 square feet for County use and 1,312 square feet shared with BOCES) for Senior Dining and similar programs with an upfront payment of \$2,977,735 for equipment and renovations of the leased space. The term began at date of occupancy, believed to be October 2014, and runs for ten years. Credit for the upfront payment was used for rent during the initial ten-year period, with two five-year options at \$306,000 per annum and \$318,240 per annum, respectively, potentially extending the lease through 2034. However, the monthly rent of \$25,500 works out to approximately \$33 per square foot, and the County is looking to negotiate a different lease with BOCES or for alternative locations. BOCES was sublessor to the County and was a tenant of Arden Local Development Corp. (ALDC) which owned the property prior to BOCES acquiring the site.

Authorized but Unissued Debt

As of the date of this Official Statement, the County has authorized but unissued debt in the aggregate amount of \$126,405,960.80. Such amount consists of authorizations for various governmental purposes including, but not limited to, improvements to the Orange County Community College, public safety, airport, landfill, parks and recreations, roads, and various special districts located in the County.

Capital Budget Summary 2024-2026

As required by County Charter, the County Executive submits a Capital Plan on an annual basis as part of the budgeting process. Such plan is a product of various discussions with department heads and the Capital Program Committee. The table below represents the Capital Plan for the next several years. It should be noted that the Plan includes all grant related projects, direct budget appropriations, projects in process, and other capital needs. The County has historically borrowed only a small portion of the amounts in the Plan.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Airport	\$ 4,965,427	\$3,695,000	\$5,900,000	\$14,560,427
DPW	20,000,000	22,790,000	9,450,000	52,240,000
Emergency Services	340,000	-	-	340,000
Sewer	6,738,000	-	-	6,738,000
Health/Planning Dept	1,600,000	30,400,000	-	32,000,000
OSCC	2,655,000	3,150,000	3,970,000	9,775,000
Parks	8,900,598	1,500,000	1,500,000	11,900,598
Planning	3,070,000	14,757,600	2,114,528	19,942,128
Probation	126,609	126,609	126,609	379,827
Programs for Aging	159,000	-	-	159,000
Sheriff	7,616,000	8,000,000	-	15,616,000
Valley View	1,900,761	160,000	160,000	2,220,761
Veterans	150,000	-	-	150,000
IT	7,363,000	-	-	7,363,000
Total	<u>\$65,584,395</u>	<u>\$84,579,209</u>	<u>\$23,221,137</u>	<u>\$173,384,741</u>

DISCUSSION OF CERTAIN FINANCIAL MATTERS

Budgetary Procedures

The County budgets, maintains accounting records, and prepares financial statements on a calendar year basis. The County Executive is the Chief Budgeting Officer of the County. The County Executive appoints a full-time Budget Director who is an officer in the executive department. The timetable for the development of the annual budget is as follows:

June	Budget request forms are sent to each department head and must be returned by July 15.
By September 1	The Budget Director and the County Executive review the various department requests and hold hearings with each department head. Revisions are made where necessary.
By October 1	The County Executive must present the proposed County budget to the Legislature, which turns the budget over to the various committees of the Legislature for review and acceptance or revision.
By October 15	The various legislative committees report to the Legislature as a whole and the tentative budget is determined.
By October 25	Public hearings must be held to permit public expressions and suggestions to the budget. After such hearings, the Legislature must consider results and public expression.
By November 15	The Legislature must make any changes desired in the tentative budget and determine the final budget.
By December 1	If the County Executive so wishes, any changes made by the Legislature may be vetoed.
By December 15	The Legislature must act to accept or override the County Executive's action. A two-thirds vote is required to override. The final budget must be determined no later than December 15.

Budgetary control is the joint responsibility of the Budget Division and the Department of Finance. Collectively, they supervise and control appropriations and monitor revenues. The County Legislature must approve any amendments to the budget, while the County Executive may authorize transfers between functional categories of expenditure. Appropriation transfers within a department or functional category may be made by the Budget Division. The County operates on an encumbrance accounting system based on allocations wherein all purchase orders are encumbered. No expenditures may be made unless they are included as part of an allocation. The Commissioner of Finance may not disburse money unless there is an appropriation and sufficient allocation for the purpose of the disbursement. Appropriations in governmental funds lapse at the end of the fiscal year; however, outstanding encumbrances are re-appropriated in the succeeding year.

A SUMMARY OF THE COUNTY'S 2024 ADOPTED BUDGET IS PRESENTED IN APPENDIX B OF THIS STATEMENT.

Financial Accounting and Reporting

County finances are accounted for through various funds: the General Fund, Special Revenue Funds and other funds.

The General Fund constitutes the primary operating fund of the County and includes all revenues and expenditures not required by law to be accounted for in other funds.

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally or budgetary restricted to expenditures for certain specified purposes. The Special Revenue Funds include:

County Road Fund – accounts for the maintenance and repair of County roads and bridges and snow removal costs;

Road Machinery Fund – accounts for the purchase, repair and maintenance of highway machinery, tolls and equipment, and for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery equipment;

Sewer Fund – accounts for the operation of the County's sewer district;

Community Development Fund – accounts for projects financed by entitlements from the U.S. Department of Housing and Urban Development;

Airport Fund – accounts for the operation of Orange County Airport;

Sanitary Landfill Fund – accounts for solid waste arrangements;

Off-Street Parking Fund – accounts for revenues derived from off-street parking facilities;

Workforce Investment Act Fund – accounts for revenues derived from entitlements from the U.S. Department of Labor; and the

Small Watershed Protection Fund – accounts for operations of drain and watershed projects.

Other funds utilized by the County for financial reporting purposes include:

Debt Service Fund – accounts for the accumulation of resources to be used for the payment of principal and interest on general long-term debt;

Capital Projects Fund – accounts for financial resources to be used for the acquisition and construction of capital assets;

Trust and Agency Fund – accounts for assets held by the County in a trustee capacity or as agent for individuals, private organizations, or other governmental units and/or other funds;

Enterprise Fund – accounts for the operation of the County's Valley View Center for Nursing Care and Rehabilitation; and the

Internal Service Funds – accounts for the financing of goods and services provided by one department to other departments of the County on a cost reimbursement basis (the motor pool and the County's self-insurance pools).

The financial statements of the County are audited each year by an independent auditing firm. Those audits have been performed by PKF O'Connor Davies, LLP, previously named Bennett, Kielson, Storch, DeSantis & Company, LLP, the Government Services Division of O'Connor, Davies, Munns & Dobbins, LLP, Harrison, New York. The last such audit completed is for the County's fiscal year ended December 31, 2022

Investment Policy

Pursuant to the County Charter, the Commissioner of Finance is responsible for the investment of monies not required for immediate disbursement. In conformance with Sections 11 and 39 of the General Municipal Law, the Commissioner of Finance has proposed, and the County Legislature has approved an Investment Policy. Such policy is reviewed at least annually by the County Legislature and amended as deemed appropriate.

Pursuant to the County's Investment Policy, investment of available cash balances may be made in certain types of bank accounts and direct obligations authorized by State law: (1) demand and time deposits (including certificates of deposits) in banks or trust companies located in and authorized to do business in the State; (2) direct obligations of the United States of America; (3) obligations whose principal and interest is 100% guaranteed by the United States of America; (4) obligations of the State of New York; and (5) obligations issued by certain units of local government within the State of New York (with the approval of the State Comptroller).

The County's Investment Policy further states that bank and trust company deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, must be secured by a pledge of "eligible securities" with a market value equal to the amount of the deposit not covered by the federal insurance program or an eligible surety bond issued by an insurance agency authorized to do business in New York State to the extent such a surety bond is permitted under the law. Eligible securities used for collateralizing deposits must be held by a third-party bank or trust company subject to security and custodial agreements.

The County's Investment Policy also authorizes the County to enter into repurchase agreements subject to the following restrictions: (1) All repurchase agreements must be entered into subject to a master repurchase agreement; (2) Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States; (3) No substitution of securities will be allowed; (4) The securities will be held by a third party; (5) The market value of the securities shall initially be at least 102%; and (6) Should the market value of the securities ever fall below 100% the account party must provide the County with additional securities so that the value of the collateral equals at least 100%.

All investments of the County are made in conformance with its Investment Policy and all applicable State and Federal laws.

Revenues

The County receives most of its revenue from a real property tax on all non-exempt real property situated within the County, non-property taxes (including sales and use tax) and State Aid and Federal aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "Tax Information" and "Tax Levy Limit Law", herein.

State and Federal Aid

According to the 2022 financial statements, the County received 22.9% of its total 2022 General Fund revenue and other financing sources from the State and Federal governments. A significant portion of this revenue relates to reimbursement for social service and mental health expenditures. Virtually all State and Federal aid is designated for spending in specific program areas. The 2023 and 2024 adopted budgets estimates that similar amounts of total revenue and other financing sources, will be received from the State and Federal governments.

Neither the Federal government nor the State is constitutionally obligated to maintain or continue Federal and State Aid to the County. No assurance can be given that present aid levels will be maintained in the future. In view of the State's continuing budget problems, future State Aid reductions are likely. Similarly, the Federal government has recently initiated significant changes to many of the social service programs administered by the County. It is not certain at this time what changes the State government will undertake in response to the Federal amendments. State budgetary restrictions and Federal funding changes that eliminate or substantially reduce Federal or State Aid could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available, or curtailment of expenditures. See also "*Market Factors*" herein.

The following table presents the Federal and State Aid reported for the County’s General Fund in recent financial statements.

Federal and State Aid

Year Ended <u>December 31:</u>	<u>Federal Aid</u>	<u>State Aid</u>	<u>Total Federal and State Aid</u>	<u>% of Total Operating Revenue</u>
2018	\$64,419,329	\$85,057,095	\$149,476,424	24.48%
2019	63,322,247	95,946,441	159,268,688	25.66
2020	60,849,567	83,110,255	143,959,822	24.59
2021	56,447,481	84,810,571	141,258,052	21.05
2022	64,690,901	99,896,171	164,587,072	22.41
2023	63,173,590	54,904,051	118,077,642	17.89

Expenditures

A major portion of the County's expenditures are related to the delivery and administration of human service programs. Included are a number of programs related to various Federal and State mandated aid programs including Medicaid, Home Relief, Aid to Dependent Children and other community service programs. Although a substantial portion of the expenditures for social service programs are ultimately offset with Federal and State Aid, expenditures fluctuate widely in response to economic conditions and are difficult to predict. Recently, Federal legislation has restructured the basis on which Federal aid is available. The new Federal requirements limit eligibility terms and, in certain cases, call for participation of beneficiaries in employment, job training and educational programs.

According to the 2022 financials, approximately 35.2% of the County's General Fund expenditures and other financing uses in 2022 were spent to provide economic opportunity to residents of the County. Other major expenditures were as follows: Public Safety – 17.6%, Health – 8.9% and General Support – 28%. Municipalities located within the County provide primary police protection and refuse collection, while fire protection is provided by local special districts. Public school districts are responsible for educating the children of the County.

RETIREMENT SYSTEMS

County Employees

The County participates in the New York State and Local Employees' Retirement System (ERS). These plans are cost sharing, multiple public employers plans. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments.

NYSRSSL provides that all participating employers are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in ERS. Employees enrolled in ERS, and having less than 10 years of service, must contribute 3% of their annual salary; except for those employees enrolled prior to July 27, 1976, for whom the system is non-contributory. Employee contributions are deducted by employers from employees' paychecks and are sent directly to ERS. It is the policy of the County to fund its pension cost during the period incurred.

On December 10, 2009, the Governor signed into law a new Tier 5. The law is effective for new ERS and New York State Teachers’ Retirement System (TRS) employees hired after January 1, 2010. Tier 5 ERS employees will now contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. The Division of Budget estimates the new tier will save the State and local governments outside of New York City \$80 billion over the next 30 years. The new pension Tier 6 has progressive contribution rates between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 5 years; the time period for calculation of final average

salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

ERS Billing Procedures

ERS contributions are due December 15 of each year and are based on salaries estimated to be paid the fiscal year ending on March 31 of the next calendar year.

Community College Employees

The Community College provides retirement benefits for substantially all of its regular full-time employees. Non-teaching personnel are members of the New York State and Local Employees' Retirement System (ERS), the same system that covers County employees. The elements of this system are described above. All full-time and certain part-time instructional personnel are eligible to participate in either the New York State Teachers' Retirement System (TRS) or the Teachers Insurance Annuity Association and the College Retirement Equities Fund (TIAA/CREF).

TRS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credit service. Employees enrolled in TRS, and having less than 10 years of service, must contribute 3% of their annual salary, except for those employees enrolled prior to July 26, 1976, for whom the system is non-contributory. Employee contributions are deducted by employers from employees' paychecks and sent directly to TRS. The NYSRSSL provides that all participants in the TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers.

TIAA/CREF is an optional retirement program, designated by the trustees of the State University of New York. The TIAA/CREF is a privately-operated defined contribution retirement plan. The College assumes no liability for the financial status of TIAA/CREF members' accounts other than payment of contributions. This system offers a wide range of plans and benefits which are related to years of service and amount of premiums purchased during the period of employment.

All benefits are fully vested after thirteen (13) months of participation in TIAA/CREF. New York State Education law establishes the contribution rate for each employee electing this optional retirement program. Employees enrolled in TIAA/CREF, and having less than 10 years of service, must contribute 3% of their annual salary, except for those employees enrolled prior to July 26, 1976, for whom the system is non-contributory. Employee contributions are deducted by employers from employees' paychecks and are sent directly to TIAA/CREF. TIAA/CREF allows members to make extra payments at any time; these extra payments are not matched by the College.

TRS Billing Procedures

TRS contributions payable by the College for benefits earned on or after July 1, 1989, are due September 15, October 15 and November 15 of the succeeding College fiscal year.

Status and Financing of Employee Pension Benefits

Substantially all employees of the County are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System (PFRS with ERS, the "Retirement Systems"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired after January 1, 2010, whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976, through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contribution becomes voluntary. Members hired after January 1, 2010, must contribute three percent of their gross annual salary toward the cost of retirement programs for the duration of their employment.

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Laws of 2003 (“Chapter 49”). Chapter 49 changes the cycle of billing to match budget cycles of the County. Under the previous method, the County was unsure of how much it paid to the system until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1, so that the County will be able to more accurately include the cost of the contribution into its budget. As a result, the County is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 requires the County to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

During its 2004 Session, the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Among other things, Chapter 260 changed the pension payment date for all local governments from December 15 to February 1.

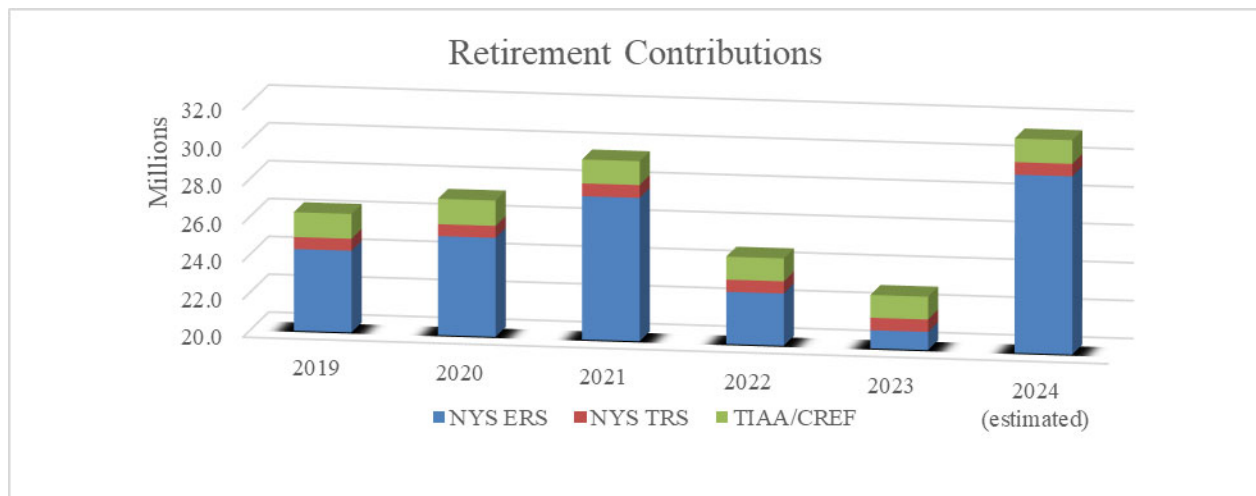
The New York State Retirement System has advised the County that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in December prior to the scheduled payment date in February, such payments may be made at a discount amount. The County has prepaid its employer contributions each December since the option was made available in 2004.

Due to significant capital market declines in the past, the State’s Retirement System portfolio has experienced negative investment performance and downward trends in market earnings. As a result of the forgoing, the employer contribution rate for the State’s Retirement System may be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that permits local governments and school districts to amortize a portion of their required ERS pension contribution payments with the State Retirement System. Such legislation also requires that those local governments and school districts choosing to amortize their ERS pension contribution payments with the State Retirement System to reserve funds for future payment increases that are a result of fluctuations in pension plan performance. The County has not found it necessary to amortize any payments to the Retirement System.

Recent Retirement Contributions

The following presentation shows the retirement expenditures recorded by the County for reporting periods ending during the years 2019 through 2024.

Fiscal Year Ending December 31:	NYS ERS	NYS TRS ^a	TIAA/CREF ^a	Total
2019	\$24,323,383	\$636,570	\$1,308,304	\$26,268,257
2020	25,239,539	629,298	1,340,308	27,209,145
2021	27,579,718	676,454	1,263,131	29,519,303
2022	22,766,182	642,657	1,211,481	24,620,320
2023 (Unaudited)	20,969,650	658,590	1,203,326	22,831,566
2024 (Estimated)	29,412,881	660,000	1,250,000	31,322,881



a. Expenditures are for the fiscal year ending August 31.

Other Post-Employment Benefits

The County provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB, and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the County adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2020, the County implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The County’s total OPEB liability at December 31, 2022, is as follows:

	<u>Primary Government</u>	<u>Community College (Component Unit)</u>
Total OPEB Liability at Dec 31, 2021	\$1,488,961,816.00	\$ 228,426,206.00
Charges for the Year:		
Service Cost	17,586,629.00	3,305,568.00
Interest	61,621,616.00	9,200,618.00
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes in Assumptions or Other Inputs	(439,415,002.00)	(93,872,638.00)
Benefit Payments	(29,520,967.00)	(4,718,303.00)
Net Changes	<u>(389,727,724.00)</u>	<u>(86,084,755.00)</u>
Total OPEB Liability at Dec 31, 2022	<u>\$ 1,099,234,092</u>	<u>\$ 142,341,451</u>

TAX INFORMATION

Tax Collection Procedure

Real property taxes are levied and attached as a lien against property on January 1. County taxes are billed with the town and city taxes and initially collected by the towns and cities on behalf of the County.

Real property taxes in the towns may be paid between January 1 and January 31 without interest or penalty. Payments received after January 31 must include interest computed at 1% per month from February 1. The towns retain the first monies collected to satisfy the entire amount of their respective tax warrants. Monies collected thereafter are remitted to the County. Tax rolls and a list of the unpaid taxes are returned to the County after March 31. A 5% penalty is added to the unpaid taxes by the County, which collects these taxes with interest computed at 1% per month from February 1. The County continues to collect unpaid taxes and is responsible for the enforcement of the tax lien. For taxes levied for periods prior to January 1, 1995, the tax enforcement period is approximately four and three-quarter years. For taxes levied for periods after January 1, 1995, the tax enforcement period is estimated to run two and one-half years.

Cities, on the other hand, must pay the County the full amount of the County taxes levied in the city. Similarly, cities are responsible for the collection and enforcement of taxes levied within their corporate limits for school district purposes. County taxes remaining unpaid are enforced by the cities in the same manner as unpaid city and school district taxes.

The County is also responsible for collecting and enforcing delinquent school taxes on properties outside of the three cities. Such taxes are collected by the school districts in the County between September 1 and October 31. On or about November 1, the school tax receivers transmit the school tax rolls together with a listing of the unpaid taxes to the appropriate school authorities. The school districts must certify such listing of unpaid taxes and transmit said list to the County. Unpaid school taxes (except for properties in the three cities) are re-levied as part of the County and town tax bill due on January 1 of the next calendar year and thereafter collected and enforced in the same manner as County real property taxes. The County must satisfy the full amount of the unpaid school taxes no later than April 1 of the year following the levy of such taxes.

Pursuant to Section 1242 of the Real Property Tax Law and Orange County Local Law No. 7 of 1978, the County has agreements with the villages within the County to collect and enforce delinquent village taxes when requested by the village. The County enforces taxes on behalf of all the villages located within the County. County tax bills include amounts relieved for unpaid village taxes where appropriate.

Constitutional Tax Limit

The amount that may be raised by the levy of taxes on real property in the County in any year for purposes other than debt service on County indebtedness is limited to one and one-half per centum (subject to increase up to two per centum by the State Legislature) of the average full valuation of taxable real estate in the County. See “*Tax Levy Limit Law*” herein.

The following table sets forth such real estate taxing limit of the County for the years ending December 31, 2019, through 2023.

Computation of Constitutional Tax Limit for Years Ending December 31

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Tax Limit	\$ 468,565,481	\$484,571,185	\$507,459,689	\$531,556,211	\$572,030,157
Add Exclusions ^a	37,857,317	37,630,981	41,172,334	36,591,660	32,934,321
Total Taxing Power	506,422,798	522,202,166	548,632,023	568,147,871	604,964,478
Tax Levy ^b	127,117,873	132,042,324	135,481,522	135,171,049	125,536,148
Tax Margin	379,304,925	390,159,842	413,150,501	432,976,822	479,428,330
Percent of Unused Taxing Power	74.90%	74.71%	75.31%	76.21%	79.25%

a. Net exclusions for debt service

b. Unadjusted tax levy for County purposes only

Real Property Taxes

The following table sets forth the percentage of the County's General Fund revenue as reported in the audited financial statements (including transfers) for each of the fiscal years 2019 through 2022 and the unaudited draft financial statement for 2023.

Fiscal Year Ending December 31:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2019	\$620,568,835	\$79,229,934	12.77
2020	584,404,453	84,738,413	14.48
2021	670,863,168	89,591,463	13.35
2022	734,348,505	84,738,413	11.54
2023 (Unaudited)	659,837,445	89,157,739	13.51

Source: Audited financial statements 2019 through 2022. Unaudited reports of the County for 2023. Table itself is not audited.

The following table sets forth the trend for real property taxes and tax collections during the last five years.

Tax Levy and Collection Record

	2019	2020	2021	2022	2023
County Taxes	\$ 126,020,609	\$ 130,958,803	\$ 134,387,950	\$ 134,142,866	\$ 124,536,148
Local Special Districts	2,639,216	2,663,963	2,787,222	2,850,734	3,303,463
Relevied Schools	28,402,705	27,721,591	26,031,473	25,832,454	26,750,662
Relevied Villages	2,754,218	2,681,893	2,477,606	2,142,182	2,309,003
Towns	183,323,695	190,113,497	195,043,448	196,874,250	205,675,164
Relevy Penalties	2,180,983	2,128,244	1,995,638	1,808,272	2,034,178
Late Penalties and Fees	1,536,553	1,596,282	1,420,701	1,252,938	1,238,356
Total Tax Levy	346,857,979	357,864,273	364,144,039	364,903,695	365,846,973
Collected End of Year of Levy:					
Amount	\$ 334,856,153	\$ 345,494,697	\$ 354,376,157	\$ 355,053,104	\$ 348,363,209
Percent	96.54%	96.54%	97.32%	97.30%	95.22%

a. Includes amounts unpaid by cities for county tax levy within the cities.

Selected Listing of Large Taxable Properties 2022 Assessment Roll^a

Name	Type	Full Valuation
Orange & Rockland Utilities	Public Utility	\$257,181,398
Central Hudson & Gas	Public Utility	186,355,355
Chelsea GCA Realty	Shopping Center	159,829,500
Roseton Generating LLC	Public Utility	44,691,500
Crystal Run NEWCO LLC	Shopping Center	25,923,829
Frontier Communications	Public Utility	18,082,097
Verizon	Public Utility	17,108,916
Middletown I Resources	Shopping Center	15,750,200
East Coast Imperial Gardens LLC	Apartment Complex	7,700,100
Tuxedo Reserve Owner LLC	Real Estate Developer	3,690,424
	Total ^b	\$736,312,319

a. Assessment Roll established in 2022 for levy and collection of taxes during 2023 Fiscal Year. See "Tax Certiorari Claims" herein.

b. Represents 1.62% of the total full Valuation of \$45,376,723,150.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of County taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. There are no significant claims filed by the larger taxpayers at this time.

Sales Tax

Most counties in the State share some portion of the proceeds from their sales tax with cities, towns, villages, or school districts. These sales tax distributions are done in accordance with sharing agreements based on population, real property valuation and/or other factors, some of which are required by statute under certain circumstances and others, or which are left to the discretion of the County. All of the sharing agreements must be approved by the County Legislature, and any agreement between cities and counties that does not allocate revenues solely in proportion to population must also be approved by the State Comptroller.

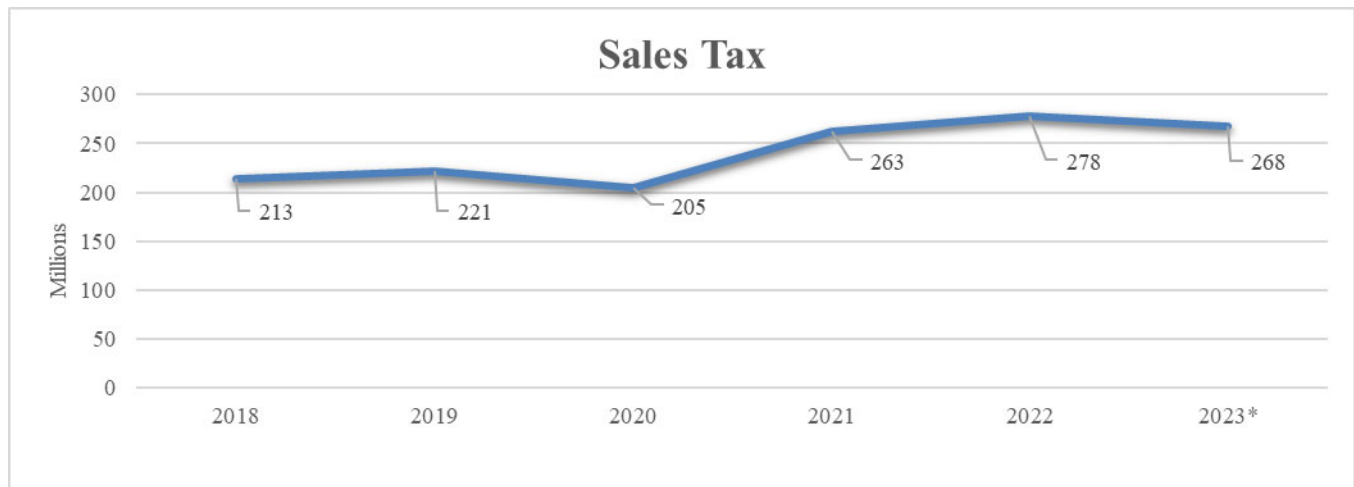
The County presently imposes a sales and use tax of 3.75%, in addition to the 4% tax imposed by the State and 3/8% levied by the Metropolitan Transportation Authority, for a countywide sales tax rate of 8 1/8%. Such sales and use tax collections are administered by the State Tax Commission and paid at least monthly to the County. The County, pursuant to a Sales Tax Sharing Agreement, shares the proceeds of the County's 3.75% sales and use tax with the three cities, 21 towns and 20 villages within the County. Under the terms of the Agreement, the County retains 73.62% of the sales tax revenues with the balance disbursed quarterly to the municipalities on a formula basis.

The following table sets forth the percentage of the County's General Fund revenue (including other financing sources) comprised of sales tax for each of the fiscal years 2018 through 2023.

<u>Year Ended December 31:</u>	<u>Total General Fund Revenues</u>	<u>Sales Taxes (Net of Distribution to Municipalities)</u>	<u>Sales Taxes to Revenues (%)</u>
2018	\$610,608,573	\$213,447,051	34.96
2019	620,568,835	221,181,579	35.64
2020	585,404,453	204,614,605	34.95
2021	670,863,172	262,824,857	39.18
2022	734,448,505	277,702,512	37.81
2023 ^a	659,837,445	267,705,323	40.57

a. Unaudited.

The County has budgeted \$ 103,754,243 in sales tax for the fiscal year ending December 31, 2023.



Source: Audited financial statements 2018 through 2022. Unaudited reports of the County for 2023. Table itself is not audited.

Hotel Motel Tax

The Hotel Motel Room Occupancy Tax Local Law No. 13 of 2009 was adopted by the County Legislature in August 2009. The effective date of its enactment was August 24, 2009, when it was filed with the Office of the Secretary of State for the State of New York. The local law imposes a 5% tax on the occupancy of hotel/motel rooms in the County. The local law remains in full force and effect for a period of three (3) years from the effective date of its enactment. Pursuant to Section 25 of the local law, a subsequent local law imposing a hotel and motel room occupancy tax may be adopted by the Legislature upon the expiration. Local Law No. 1 of 2012, Local Law No. 3 of 2015, Local Law No. 5 of 2018 and Local Law No. 3 of 2021 were adopted by the Legislature, extending the law an additional period of three years. The current law will be in effect until August of 2024.

The intent of this local law shall be to impose a tax on facilities providing lodging on an overnight basis and provide for the collection thereof in order to make funds available for deposit in the General Fund of the County to be allocated to enhance the general economy of the County.

Operators must file with the Commissioner of Finance a certificate of registration. The Commissioner of Finance will then issue a certificate of authority empowering such operator to collect the tax from the occupant.

On a quarterly basis, the operators file a tax return together with the tax they have collected, to the Commissioner of Finance. Quarters end on the last day of February, May, August and November. Payment is due by the 20th of the month following the end of the quarter. Failure to file a return or pay over any tax within the time required shall be subject to a penalty of five percent (5%) of the amount of tax due. In addition to the aforementioned penalty, interest at the rate of one percent (1%) of such tax for each month of delay, excepting the first month after such return was required to be filed or such tax became due, shall accrue.

Exempt Organizations include the following: (1) those in possession of a New York State tax exempt certificate, (2) any person occupying any room or rooms for at least 30 consecutive days shall be considered a “permanent resident” with regard to the period of such occupancy and (3) any occupant whose rent is paid from public assistance from the County shall be deemed an “exempt occupant” with respect to the period of such occupancy, regardless of the length thereof, are not subject to the five percent (5%) tax imposed by the local law.

The following table sets forth the annual hotel/motel revenues received by the County for the five most recently completed fiscal years and the budgeted amounts for the current fiscal year.

<u>Year Ending December 31:</u>	<u>Hotel/Motel Taxes</u>
2018	\$3,934,370
2019	4,116,440
2020	2,492,501
2021	5,273,551
2022	6,308,830
2023 (Unaudited)	6,325,352
2024 (Budgeted)	6,652,332

The County executed an Agreement with Airbnb which will collect and remit the 5% occupancy tax on behalf of its operators as of December 1, 2018.

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength

of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean.

Article 8 Section 12 of the State Constitution specifically provides as follows:

It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded.

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able to (1) limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

LITIGATION

The County and/or some of its officers, employees and agents are defendants in lawsuits which the Department of Law, either directly or through outside counsel, are defending. The Department of Law has reviewed the status of all litigation and notices of claim currently pending and it is the opinion of the County Attorney that there is no litigation or notices of claim pending at this time where there is a reasonable possibility of a settlement, verdict or judgment against any of the defendants that would likely result in an exposure of at least five million dollars (\$5,000,000). Please note that the County is self-insured for the first one million dollars of any settlement, verdict or judgment. Any settlement, verdict or judgment in excess of one million dollars would be paid out of the County's excess and umbrella insurance policies, unless it is not a covered event, or a policy exclusion exists.

CYBERSECURITY

The County relies heavily on technology to facilitate day-to-day operations. This reliance exposes the County to a spectrum of cyber threats, including hacking, viruses, malware, and other malicious attacks targeting digital infrastructure and networks. To address these risks, the County diligently invests in a range of cybersecurity measures and operational controls. Despite these efforts, it's important to recognize that no system is infallible, and absolute assurance against cyber threats cannot be guaranteed. In the event of a successful cyber-attack, the repercussions could be severe, potentially disrupting business operations and causing substantial damage to digital assets. The financial costs associated with mitigating such damage could place a significant strain on the County's resources. Acknowledging these realities, the County remains vigilant in its approach to cybersecurity, continuously striving to enhance the defenses and response capabilities to safeguard against potential cyber incidents.

ARPA FUNDS

The American Rescue Plan Act ("ARPA"), a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low- and moderate-income households, an increase in food stamp benefits, additional funding for childcare and an increase in childcare tax credits.

During COVID-19 the County of Orange suffered a loss in revenue of \$67,823,839. Due to this shortfall, ARPA provided funding in the amount of \$74,770,082. The County of Orange will utilize funds to improve infrastructure and public safety. These projects will greatly benefit the County government and the residents of the County.

1. \$24 million for a new, state-of-the-art Medical Examiner's Office. The facility will include a dignified public entrance and waiting area, a family viewing room, autopsy room and isolation autopsy.
2. \$16.3 million for recruitment and retention of County employees.
3. \$6.3 million for security upgrades at County government buildings at 30 different locations.
4. \$6 million for the enhancement of school safety, including upgraded public safety radios.
5. \$5 million for asbestos removal and a new roof at Morrison Hall at SUNY Orange in Middletown.
6. \$4.5 million for new equipment for the County's Information Technology Department.
7. \$1.5 million for upgrades at Cromline Pump Station.
8. \$1 million for water improvements at Thomas Bull Memorial Park.

The County will continue to monitor closely the economic, environmental, and global COVID-19 pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the County.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the County (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on

certain representations, certifications of fact, and statements of reasonable expectations made by the County in connection with the Bonds and Bond Counsel has assumed compliance by the County with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the County, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The County, in executing the Tax Certificate, will certify to the effect that the County will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bond under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix C.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the County will provide an executed copy of its Undertaking to Provide Continuing Disclosure substantially as set forth in Appendix D.

BOND RATING

The County has applied to S&P Global Ratings (“S&P”) 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, for a rating on the Bonds and such application is pending at this time. Such rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any downward revision or withdrawal of the rating assigned to the Bonds could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the County on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the County or the information set forth in this Official Statement or any other information available to the County with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Kerry Gallagher, Commissioner of Finance, County of Orange, 255 Main Street, Goshen, NY 10924, Phone (845) 291-2485 and email: KGallagher@orangecountygov.com or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the County also assumes no liability or responsibility for any errors or omissions, unauthorized editing, or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the County and the original purchasers or owners of any of the Bonds.

The preparation and distribution of this Official Statement has been authorized by the applicable refunding bond resolution of the County which delegates to the Supervisor the power to sell and issue the Bonds.

COUNTY OF ORANGE, NEW YORK

By: s/s KERRY GALLAGHER
Commissioner of Finance and Chief Fiscal Officer
County of Orange
Goshen, New York

February , 2024

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
Revenues:					
Real Property Taxes	\$ 91,048,284	\$ 79,229,934	\$ 84,738,413	\$ 89,591,463	\$ 99,317,873
Other Tax Items	10,759,876	9,592,503	10,013,837	9,408,918	13,300,773
Non-Property Tax Items	295,561,047	306,179,940	282,720,008	361,898,340	385,842,763
Departmental Income	26,916,559	27,929,429	28,344,433	30,735,072	30,842,201
Intergovernmental Charges	9,635,530	11,091,382	9,947,090	9,519,256	6,859,468
Use of Money and Property	6,534,826	6,437,617	5,309,657	5,299,294	7,029,207
Licenses and Permits	1,373,545	2,052,074	1,014,657	2,315,954	2,639,727
Fines and Forfeitures	715,740	1,072,523	487,392	956,180	780,585
Sale of Prop. and Comp. for Loss	283,552	682,203	1,976,782	1,161,605	1,787,889
Interfund Revenues	9,252,507	10,944,418	11,682,959	12,605,288	13,829,346
State Aid	85,057,095	95,946,441	83,110,255	84,810,571	99,896,171
Federal Aid	64,419,329	63,322,247	60,849,567	56,447,481	64,690,901
Miscellaneous	5,466,512	3,595,432	4,209,403	4,613,750	7,233,231
Total Revenues	607,024,402	618,076,143	584,404,453	669,363,172	734,050,135
Expenditures:					
General Government Support	149,783,881	153,500,930	148,687,861	166,087,524	176,004,750
Education	59,396,108	66,189,645	57,040,836	59,008,797	62,358,809
Public Safety	95,906,793	98,735,578	101,822,889	108,613,090	110,772,326
Health	50,535,201	52,192,260	50,794,574	49,368,475	56,037,065
Transportation	657,655	662,971	667,597	685,771	758,964
Economic Assistance and Opportunity	219,104,590	222,420,070	204,648,530	193,156,625	191,176,225
Culture and Recreation	7,264,862	7,614,528	6,581,967	6,962,355	7,530,601
Home and Community Services	20,958,393	17,808,040	19,333,014	16,968,274	21,586,448
Employee Benefits	360,320	(119,015)	846,106	(66,391)	152,656
Debt Service					1,823,336
Total Expenditures	603,967,803	619,005,007	590,423,374	600,784,520	628,201,180
Excess (Deficiency) of Revenues over Expenditures	3,056,599	(928,864)	(6,018,921)	68,578,652	105,848,955
Other Financing Sources (Uses):					
Operating Transfers In	3,584,171	2,492,692	1,000,000	1,500,000	298,370
Operating Transfers (Out)	(2,801,457)	(1,795,313)	(3,624,992)	(4,664,303)	(17,930,498)
Total Other Financing Sources (Uses)	782,714	697,379	(2,624,992)	(3,164,303)	(17,632,128)
Excess (Deficiency) of Revs & Other Sources Over Exp. & Other Uses	3,839,313	(231,485)	(8,643,913)	65,414,349	88,216,827
Fund Balance Beginning of Year	84,727,686	88,566,999	87,878,786 *	79,234,873	144,649,222
Fund Balance End of Year	\$ 88,566,999	\$ 88,335,514	\$ 79,234,873	\$ 144,649,222	\$ 232,866,049

* Beginning Balance as Restated

Source: Audited Annual Financial Reports (2018-2022)

**Balance Sheet
General Fund**

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	\$ 91,891,948	\$ 34,666,377	\$ 17,093,690	\$ 138,333,205	\$ 222,991,260
Investments		57,800,000	55,000,000	60,183,585	98,831,517
Receivables:					
Taxes Receivable, Net	53,423,980	50,086,001	16,184,857	14,211,787	13,000,034
Accounts, Net	3,864,051	4,215,053	3,022,968	2,996,504	2,814,921
Sales Tax	31,174,115	30,835,131	28,286,056	36,898,879	40,279,581
State and Federal Receivables	51,395,776	63,949,721	91,876,542	85,425,403	84,635,107
Due from Other Governments	829,365	765,359	572,112	695,679	375,086
Leases					4,207,798
Due from Component Unit			1,818,081	1,941,284	1,463,205
Due from Other Funds	33,888,115	28,819,108	15,430,621	6,819,807	1,492,290
Prepaid Expenses	4,657,902	4,715,536	4,935,155	5,634,750	4,230,775
Total Assets	\$ 271,125,252	\$ 275,852,286	\$ 234,220,082	\$ 353,140,883	\$ 474,321,574
Liabilities:					
Accounts Payable	\$ 51,482,533	\$ 54,131,476	\$ 52,359,780	\$ 61,157,942	\$ 62,077,344
Accrued Liabilities	15,353,572	17,943,290	11,030,952	15,157,392	10,125,815
Deposits Payable			8,302,968	8,653,629	9,082,618
Employee Payroll Deductions			939,482	1,257,682	3,470,565
Due to Other Governments	2,849,003	2,746,954			
Due to Other Funds	63,890,211	68,057,473	68,129,603	63,864,774	55,948,640
Due to School Districts	34,154,756	33,347,029			
Unearned Revenue	58,940	141,585	3,617,400	45,603,748	85,904,631
Due to Fiduciary Funds				2,657,462	2,783,420
Total Liabilities	167,789,015	176,367,807	144,380,185	198,352,629	229,393,033
Deferred Inflows of Revenues :					
Deferred Revenues	14,769,238	11,148,965	10,605,024	10,139,032	12,062,492
Total Liabilities & Deferred Inflows	182,558,253	187,516,772	154,985,209	208,491,661	241,455,525
Fund Balance:					
Nonspendable	4,657,902	4,715,536	4,935,155	5,634,750	4,230,775
Restricted	4,937,347	5,159,538	4,151,594	5,288,932	5,308,582
Committed	787,257	790,264	795,193	796,580	4,136,032
Assigned	21,519,970	22,721,838	18,744,933	15,322,104	5,981,133
Unassigned	56,664,523	54,948,338	50,607,998	117,606,856	213,209,527
Total Fund Balances	88,566,999	88,335,514	79,234,873	144,649,222	232,866,049
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 271,125,252	\$ 275,852,286	\$ 234,220,082	\$ 353,140,883	\$ 474,321,574

Source: Audited Annual Financial Reports (2018-2022)

2023 Budget Summaries by Funds

	<u>Expenditure</u>	<u>Revenue</u>	<u>County</u>	<u>Appropriated</u>	<u>State/Federal/</u>
	<u>Total</u>	<u>Total</u>	<u>Taxation</u>	<u>Surplus</u>	<u>Other</u>
Funds:					
Airport Fund	\$ 1,880,041	\$ 1,880,041	\$ 152,381	\$ 121,017	\$ 1,606,643
Community Development	3,705,974	3,705,974	121,446		3,584,528
County Road Fund	19,169,482	19,169,482	10,978,144	2,000,000	6,191,338
Debt Service Fund	34,964,340	34,964,340	22,992,846		11,971,494
Drain and Watershed Project	850,752	850,752		185,000	665,752
General Fund	515,105,089	515,105,089	(32,809,414)		547,914,503
Motorpool Fund	1,709,946	1,709,946		268,915	1,441,031
OC Water Authority	545,900	545,900	545,900		
OC Employment & Training Admin	8,235,892	8,235,892	122,705		8,113,187
Road Machinery Fund	3,049,127	3,049,127	552,915		2,496,212
Sanitary Landfill Fund	16,920,514	16,920,514	457,972	600,000	15,862,542
Sewer Dustruct Fybd	12,067,059	12,067,059			12,067,059
Social Services Fund	222,931,913	222,931,913	121,421,253		101,510,660
TheValley View Center	56,480,140	56,480,140		13,800,072	42,680,068
Total Revenues	\$ <u>897,616,169</u>	\$ <u>897,616,169</u>	\$ <u>124,536,148</u>	\$ <u>16,975,004</u>	\$ <u>756,105,017</u>

Reserve for Uncollected Taxes

Total Taxation Required

124,536,148

Sales Tax: County Share

290,000,000

Sales Tax: Municipalities

103,754,243

Property Tax:

124,536,148

Total Taxation

518,290,391

Source: Adopted Budget from the County

2024 Budget Summaries by Funds

	<u>Expenditure</u>	<u>Revenue</u>	<u>County</u>	<u>Appropriated</u>	<u>State/Federal/</u>
	<u>Total</u>	<u>Total</u>	<u>Taxation</u>	<u>Surplus</u>	<u>Other</u>
Funds:					
Airport	\$ 1,938,209	\$ 1,938,209	\$	\$ 185,939	\$ 1,752,270
Community Development	3,389,077	3,389,077	133,431		3,255,646
County Road	17,680,448	17,680,448	6,064,148	5,000,000	6,616,300
Debt Service	35,689,651	35,689,651	19,867,375	2,200,000	13,622,276
Employment and Training	9,473,760	9,473,760	134,880		9,338,880
General Fund	530,200,904	530,200,904	(29,346,374)		559,547,278
Landfill	16,290,923	16,290,923	1,277,171	605,897	14,407,855
Motor Pool	1,361,625	1,361,625		532,665	828,960
Road Machinery	3,179,844	3,179,844	227,529	290,975	2,661,340
Sewer	13,122,445	13,122,445		498	13,121,947
Small Watershed Protection	801,928	801,928		114,070	687,858
Water Authority	624,800	624,800	359,800	265,000	0
Social Services	232,852,489	232,852,489	123,818,188		109,034,301
Valley View	57,193,127	57,193,127		10,780,353	46,412,774
Total Revenues	\$ 923,799,230	\$ 923,799,230	\$ 122,536,148	\$ 19,975,397	\$ 781,287,685
Reserve for Uncollected Taxes			0		
Total Taxation Required			122,536,148		
Sales Tax: County Share			292,035,000		
Sales Tax: Municipalities			104,483,588		
Property Tax:			122,536,148		
Total Taxation			519,054,736		

Source: Adopted Budget from the County

ASSESSED VALUATIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2019

	Assessed Valuation	State Eq. Rate	Full Valuation
City of:			
Middletown	\$ 230,970,160	16.35%	\$ 1,412,661,529
Newburgh	905,402,215	100.00%	905,402,215
Port Jervis	168,435,652	40.00%	421,089,130
Town of:			
Blooming Grove	282,419,822	17.15%	1,646,762,810
Chester	842,110,367	59.00%	1,427,305,707
Cornwall	1,430,314,102	100.00%	1,430,314,102
Crawford	329,950,170	39.00%	846,026,077
Deer Park	281,910,243	56.20%	501,619,649
Goshen	988,899,105	62.00%	1,594,998,556
Greenville	259,327,358	63.40%	409,033,688
Hamptonburgh	656,476,830	100.00%	656,476,830
Highlands	514,338,189	100.00%	514,338,189
Minisink	201,590,719	47.00%	428,916,423
Monroe	386,912,012	18.55%	2,085,779,040
Montgomery	1,373,711,126	65.00%	2,113,401,732
Mount Hope	263,173,847	59.00%	446,057,368
Newburgh	1,053,108,771	34.00%	3,097,378,738
New Windsor	382,206,640	16.75%	2,281,830,687
Palm Tree	154,409,832	18.46%	836,456,295
Tuxedo	178,604,207	16.60%	1,075,928,958
Wallkill	596,078,994	21.00%	2,838,471,400
Warwick	525,959,043	14.10%	3,730,205,979
Wawayanda	535,925,304	68.00%	788,125,447
Woodbury	<u>733,351,294</u>	38.23%	<u>1,918,261,297</u>
 Total.	 <u>\$ 13,275,586,002</u>		 <u>\$ 33,406,841,848</u>

ASSESSED VALUATIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2020

	Assessed Valuation	State Eq. Rate	Full Valuation
City of:			
Middletown	\$ 233,694,512	15.25%	\$ 1,532,423,030
Newburgh	965,121,268	100.00%	965,121,268
Port Jervis	170,363,869	41.00%	415,521,632
Town of:			
Blooming Grove	285,165,506	16.17%	1,763,546,729
Chester	843,898,149	58.20%	1,449,996,820
Cornwall	1,433,608,921	95.00%	1,509,062,022
Crawford	334,027,709	37.50%	890,740,557
Deer Park	295,086,621	56.20%	525,065,162
Goshen	1,004,621,866	61.00%	1,646,921,092
Greenville	264,294,464	62.58%	422,330,559
Hamptonburgh	662,249,414	100.00%	662,249,414
Highlands	514,397,766	100.00%	514,397,766
Minisink	204,286,620	47.00%	434,652,383
Monroe	389,877,939	18.15%	2,148,087,818
Montgomery	1,386,631,291	61.00%	2,273,166,051
Mount Hope	268,225,246	56.00%	478,973,654
Newburgh	1,055,468,079	32.20%	3,277,851,177
New Windsor	385,569,798	15.48%	2,490,760,969
Palm Tree	157,737,198	18.25%	864,313,414
Tuxedo	179,719,669	16.55%	1,085,919,450
Wallkill	603,957,156	19.75%	3,058,010,916
Warwick	529,159,527	13.70%	3,862,478,299
Wawayanda	538,174,889	65.50%	821,641,052
Woodbury	<u>738,769,604</u>	37.71%	<u>1,959,081,421</u>
 Total	 \$ <u><u>13,444,107,081</u></u>		\$ <u><u>35,052,312,655</u></u>

ASSESSED VALUATIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2021

	Assessed Valuation	State Eq. Rate	Full Valuation
City of:			
Middletown	\$ 238,015,467	13.00%	\$ 1,830,888,208
Newburgh	1,303,699,112	100.00%	1,303,699,112
Port Jervis	180,236,930	37.68%	478,335,801
Town of:			
Blooming Grove	287,852,072	14.52%	1,982,452,287
Chester	860,757,834	55.40%	1,553,714,502
Cornwall	1,453,412,696	93.00%	1,562,809,351
Crawford	340,338,430	35.13%	968,797,125
Deer Park	300,382,397	55.60%	540,256,110
Goshen	1,025,182,708	56.00%	1,830,683,407
Greenville	266,590,107	58.10%	458,847,000
Hamptonburgh	672,092,765	93.50%	718,815,791
Highlands	515,909,345	96.00%	537,405,568
Minisink	210,497,814	44.70%	470,912,336
Monroe	398,633,270	17.20%	2,317,635,291
Montgomery	1,454,212,369	56.00%	2,596,807,802
Mount Hope	274,331,067	52.00%	527,559,744
Newburgh	1,063,169,307	28.25%	3,763,431,175
New Windsor	393,765,364	14.49%	2,717,497,336
Palm Tree	173,280,968	17.00%	1,019,299,812
Tuxedo	191,699,159	16.20%	1,183,328,142
Wallkill	614,035,389	18.00%	3,411,307,717
Warwick	539,374,790	12.50%	4,314,998,320
Wawayanda	566,066,850	59.50%	951,372,857
Woodbury	<u>749,899,928</u>	37.00%	<u>2,026,756,562</u>
 Total.	 \$ <u><u>14,073,436,138</u></u>		 \$ <u><u>39,067,611,355</u></u>

ASSESSED VALUATIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2022

	Assessed Valuation	State Eq. Rate	Full Valuation
City of:			
Middletown	\$ 239,393,113	11.70%	\$ 2,046,094,983
Newburgh	1,493,641,022	100.00%	1,493,641,022
Port Jervis	185,505,060	32.50%	570,784,800
Town of:			
Blooming Grove	291,075,886	12.75%	2,282,948,125
Chester	874,201,087	48.19%	1,814,071,565
Cornwall	1,452,488,102	75.45%	1,925,100,201
Crawford	343,681,062	29.76%	1,154,842,278
Deerpark	311,157,786	42.67%	729,219,091
Goshen	1,040,753,550	49.50%	2,102,532,424
Greenville	269,312,025	48.90%	550,740,337
Hamptonburgh	680,209,232	81.50%	834,612,555
Highlands	516,066,930	78.30%	659,089,310
Minisink	213,412,943	37.71%	565,931,962
Monroe	403,389,603	15.07%	2,676,772,415
Montgomery	1,460,457,266	49.00%	2,980,525,033
Mount Hope	277,503,936	43.00%	645,357,991
Newburgh	1,067,555,240	24.70%	4,322,085,992
New Windsor	395,255,340	12.63%	3,129,495,962
Palm Tree	185,020,685	16.00%	1,156,379,281
Tuxedo	191,844,241	13.55%	1,415,824,657
Wallkill	621,580,321	16.02%	3,880,026,973
Warwick	542,421,901	10.85%	4,999,280,194
Wawayanda	567,221,353	51.00%	1,112,198,731
Woodbury	<u>752,321,027</u>	32.30%	<u>2,329,167,266</u>
 Total.	 <u>\$ 14,375,468,711</u>		 <u>\$ 45,376,723,150</u>

ASSESSED VALUATIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2023

	Assessed Valuation	State Eq. Rate	Full Valuation
City of:			
Middletown	\$ 240,797,583.00	10.00%	\$ 2,407,975,830
Newburgh	1,921,640,334.00	100.00%	1,921,640,334
Port Jervis	186,025,088.00	28.75%	647,043,784
Town of:			
Blooming Grove	293,170,652.00	10.39%	2,821,661,713
Chester	889,067,744.00	41.00%	2,168,457,912
Cornwall	1,461,534,118.00	67.45%	2,166,840,798
Crawford	347,838,893.00	24.41%	1,424,985,223
Deerpark	308,231,041.00	37.52%	821,511,303
Goshen	1,044,660,166.00	41.50%	2,517,253,412
Greenville	272,624,866.00	44.05%	618,898,674
Hamptonburgh	711,830,386.00	69.25%	1,027,913,915
Highlands	519,412,246.00	69.35%	748,972,236
Minisink	217,194,666.00	32.98%	658,564,785
Monroe	409,232,187.00	12.26%	3,337,946,060
Montgomery	1,491,463,258.00	42.00%	3,551,102,995
Mount Hope	281,889,551.00	39.00%	722,793,721
Newburgh	1,090,013,527.00	21.59%	5,048,696,281
New Windsor	397,989,798.00	10.98%	3,624,679,399
Palm Tree	195,938,577.00	15.50%	1,264,119,852
Tuxedo	192,346,068.00	12.12%	1,587,013,762
Wallkill	631,219,416.00	14.50%	4,353,237,352
Warwick	546,847,161.00	9.25%	5,911,861,200
Wawayanda	575,287,165.00	46.00%	1,250,624,272
Woodbury	759,298,083.00	29.30%	2,591,461,034
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Total	\$ 14,985,552,574		\$ 53,195,255,848
	<hr/>		<hr/>

COUNTY OF ORANGE

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

[▶ Click Here For 2022 Audit](#)

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.

APPENDIX C

FORM OF BOND COUNEL OPINION

Hawkins Delafield & Wood LLP
7 World Trade Center, 250 Greenwich Street
New York, New York 10007

March 13, 2024

The County Legislature of the
County of Orange, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the County of Orange (the “County”), New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$28,136,178 Public Improvement Serial Bonds-2024 (the “Bonds”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the County will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the County represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the County's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the County with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement related to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the County, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **County of Orange**, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Commissioner of Finance as of February 29, 2024.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$28,136,178 Public Improvement Serial Bonds-2024**, dated March 13, 2024, maturing in various principal amounts on March 1 in each of the years 2025 to 2037, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, to the EMMA System:

- (i) (A) no later than the last day of the sixth (6th) month after the end of each fiscal year, commencing with the fiscal year ending December 31, 2024, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2024, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal

securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
- (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (15) incurrence of a financial obligation, as defined in Rule 15c2-12, of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings "THE COUNTY," "TRANSPORTATION," "EDUCATIONAL, RECREATIONAL, CULTURAL AND MEDICAL INSTITUTIONS," "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE COUNTY," "DISCUSSION OF CERTAIN FINANCIAL MATTERS," "TAX INFORMATION", "LITIGATION" AND APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of March 13, 2024.

COUNTY OF ORANGE

By: _____
Commissioner of Finance and Chief Fiscal Officer