

***COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY***

FINANCIAL STATEMENTS

DECEMBER 31, 2025

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To The Members of the County
Of Sullivan Industrial Development Agency
Monticello, NY 12701

Opinions

We have audited the financial statements of the County of Sullivan Industrial Development Agency, New York ("Agency"), a component unit of Sullivan County, New York, as of and for the year ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Sullivan Industrial Development Agency, New York, as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Sullivan Industrial Development Agency, New York's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Sullivan Industrial Development Agency, New York's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 4 through 7, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the report. The other information comprises the schedule of other information on pages 23 through 26, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026 on our consideration of the County of Sullivan Industrial Development Agency, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Sullivan Industrial Development Agency, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
March 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

This section of the County of Sullivan Industrial Development Agency's annual financial report presents our discussion and analysis of the Agency's financial performance during the fiscal year ended on December 31, 2025. Please read it in conjunction with the Agency's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Agency's statements follow the accrual basis of accounting and are presented in a manner similar to a private business.

FINANCIAL ANALYSIS OF THE AGENCY

The following table summarizes the changes in net position between December 31, 2025 and 2024.

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|----------------------|----------------------|
| Current Assets | \$ 9,026,897 | \$ 8,995,961 |
| Non-Current Assets | 939,507 | 1,002,436 |
| Capital Assets, net | <u>2,388,244</u> | <u>2,589,475</u> |
| Total Assets | <u>12,354,648</u> | <u>12,587,872</u> |
| Current Liabilities | 833,964 | 1,001,477 |
| Long Term Liabilities | <u>142,352</u> | <u>168,785</u> |
| Total Liabilities | <u>976,316</u> | <u>1,170,262</u> |
| Deferred Inflows - Leases | <u>561,789</u> | <u>645,674</u> |
| Total Deferred Inflows of Resources | <u>561,789</u> | <u>645,674</u> |
| Net Investment In Capital Assets | 2,388,244 | 2,589,475 |
| Restricted | 1,253,686 | 1,008,188 |
| Unrestricted | <u>7,174,613</u> | <u>7,174,273</u> |
| Total Net Position | <u>\$ 10,816,543</u> | <u>\$ 10,771,936</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

The balance of restricted net position consists of the following at December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------------|-------------------------|
| Escrow Accounts - Cash | \$ 730,674 | \$ 522,999 |
| Revolving Loan Accounts – Cash | 1,204,251 | 869,303 |
| Revolving Loans Outstanding | 198,239 | 332,446 |
| Less: Liabilities to be Paid From Restricted Accounts | <u>(879,478)</u> | <u>(716,560)</u> |
| Restricted Net Position | <u>\$ 1,253,686</u> | <u>\$ 1,008,188</u> |

Operating Income. The following table summarizes the changes in operating activity between fiscal years 2025 and 2024.

| | <u>2025</u> | <u>2024</u> |
|---|----------------------|-----------------------|
| Project Fees | \$ 699,877 | \$ 675,428 |
| Administrative Fees | 22,000 | 22,000 |
| Lease Income | 118,861 | 118,548 |
| Interest on Notes Receivable | 12,263 | 21,983 |
| Interest on Leases Receivable | 19,643 | 21,520 |
| Federal Aid | - | 93,185 |
| Other Income | <u>26,166</u> | <u>3,421</u> |
| Total Operating Revenues | <u>898,810</u> | <u>956,085</u> |
| Salaries and Benefits | 394,361 | 315,644 |
| Legal and Professional Fees | 40,622 | 100,098 |
| Consulting Fees | 37,070 | 51,810 |
| Advertising and Promotion | 100,183 | 100,396 |
| Other Expenses | <u>93,836</u> | <u>100,973</u> |
| Total Operating Expenses | <u>666,072</u> | <u>668,921</u> |
| Operating Income | <u>232,738</u> | <u>287,164</u> |
| Interest Income | 4,324 | 3,927 |
| Interest Expense | (3,585) | (4,128) |
| Depreciation Expense | (172,468) | (168,598) |
| Loss on Sale of Equipment | <u>(16,402)</u> | <u>-</u> |
| Total Non-Operating Revenues (Expenses) | <u>(188,131)</u> | <u>(168,799)</u> |
| Change in Net Position | <u>\$ 44,607</u> | <u>\$ 118,365</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

OPERATIONS AND ACCOMPLISHMENTS

During 2025, the Agency collected Payments in Lieu of Taxes (PILOTs) from its projects and distributed 100% of payments, or \$3,879,236.67, to the local taxing jurisdictions.

During 2025, the Agency continued to engage the services of the Partnership for Economic Development in Sullivan County, Inc., and to provide funding for the regional economic development advocacy group Hudson Valley Pattern for Progress through its membership contribution. The Agency also continued its engagement of Hudson Valley AgriBusiness Development Corporation, which provides technical assistance to Sullivan County's agricultural businesses and supports large-scale initiatives to strengthen the County's overall farm and food economy.

The Agency continues its efforts to foster the development of the Catskills Food Hub in Liberty. During 2024 the Agency procured various items of kitchen equipment to be leased to Sullivan Catskills Regional Food Hub, Inc. (SCRFH) doing business as A Single Bite, and in January 2025 this lease became effective. The kitchen equipment was funded by a 2023 Rural Business Development Grant awarded to the Agency from the United States Department of Agriculture-Rural Development to assist in the equipping of a commercial kitchen at the Catskills Food Hub.

In 2025 the Agency was involved in the following projects:

- The administration of two loans through the Agency's Rural Micro-entrepreneur Assistance Program

- The administration of two loans through the Agency's Revolving Loan Fund Program

- The administration of two loans and twenty-one leases through the Agency's AgriBusiness Revolving Loan and Lease Fund Program. During 2025, one new lease took effect, as described above; four existing leases were consolidated into a single lease; and four leases reached the end of their terms and were satisfied.

- The administration of one building lease agreement relating to the Catskills Food Hub

- The administration of 64 projects with Agency agreements, including 57 projects that made PILOT payments to the Agency and seven projects that held valid sales tax exemption letters.

CAPITAL ASSETS

The Agency had \$2,388,244 invested in capital assets, net of \$1,000,275 in accumulated depreciation, as of December 31, 2025. Depreciation expense for the year ended December 31, 2025 was \$172,468.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2025

DEBT

As of December 31, 2025, the Agency had \$167,628 in outstanding long term debt. The Agency paid interest of \$3,585 during the year.

CONTACTING THE AGENCY'S MANAGEMENT

If you have any questions about this report or need additional information, contact Jennifer Flad, Executive Director, County of Sullivan Industrial Development Agency, at 548 Broadway, Monticello, NY 12701.

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
DECEMBER 31,

| ASSETS | <u>2025</u> | <u>2024</u> |
|---------------------------------------|-----------------------|-----------------------|
| Current Assets | | |
| Cash | \$ 6,820,571 | \$ 7,156,081 |
| Cash - Restricted | 1,934,925 | 1,473,302 |
| Accounts Receivable | 76,335 | 58,634 |
| Due From State and Federal | - | 93,185 |
| Prepaid Expense | 22,207 | 24,856 |
| Operating Leases Receivable - Current | 104,127 | 119,315 |
| Capital Leases Receivable - Current | 30,790 | 29,881 |
| Notes Receivable - Current | <u>37,942</u> | <u>40,707</u> |
| Total Current Assets | <u>9,026,897</u> | <u>8,995,961</u> |
| Non-Current Assets: | | |
| Operating Leases Receivable | 457,662 | 526,359 |
| Capital Leases Receivable | 153,548 | 184,338 |
| Notes Receivable | 160,297 | 291,739 |
| Mortgage Note Receivable | 168,000 | - |
| Capital Assets, net | <u>2,388,244</u> | <u>2,589,475</u> |
| Total Non-Current Assets | <u>3,327,751</u> | <u>3,591,911</u> |
| TOTAL ASSETS | <u>12,354,648</u> | <u>12,587,872</u> |

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
DECEMBER 31,

| LIABILITIES | <u>2025</u> | <u>2024</u> |
|---|--------------------------|--------------------------|
| Current Liabilities | | |
| Accounts Payable | \$ 6,905 | \$ 25,760 |
| Accrued Payroll | 11,749 | 8,187 |
| Unearned Revenue | 4,500 | 192,750 |
| Project Escrow Liability | 54,996 | 68,077 |
| PILOT Escrow Liability | 668,656 | 431,984 |
| Sales Tax Escrow Liability | 61,882 | 249,943 |
| Note Payable - Current | <u>25,276</u> | <u>24,776</u> |
| Total Current Liabilities | <u>833,964</u> | <u>1,001,477</u> |
| Non-Current Liabilities | | |
| Note Payable | <u>142,352</u> | <u>168,785</u> |
| Total Non-Current Liabilities | <u>142,352</u> | <u>168,785</u> |
| TOTAL LIABILITIES | <u>976,316</u> | <u>1,170,262</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Leases | <u>561,789</u> | <u>645,674</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>561,789</u> | <u>645,674</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 2,388,244 | 2,589,475 |
| Restricted | 1,253,686 | 1,008,188 |
| Unrestricted | <u>7,174,613</u> | <u>7,174,273</u> |
| TOTAL NET POSITION | <u>\$ 10,816,543</u> | <u>\$ 10,771,936</u> |

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
YEARS ENDED DECEMBER 31,

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|----------------------|
| OPERATING REVENUES | | |
| Project Fees | \$ 699,877 | \$ 675,428 |
| Administrative Fees | 22,000 | 22,000 |
| Lease Income | 118,861 | 118,548 |
| Interest Income - Notes Receivable | 12,263 | 21,983 |
| Interest Income - Leases Receivable | 19,643 | 21,520 |
| Federal Aid | - | 93,185 |
| Reimbursed Professional Fees | 22,104 | - |
| Other Income | 4,062 | 3,421 |
| Total Operating Revenues | <u>898,810</u> | <u>956,085</u> |
| OPERATING EXPENSES | | |
| Payroll and Benefits | 394,361 | 315,644 |
| Professional Fees and Service Contracts | 40,622 | 100,098 |
| Advertising and Promotion | 100,183 | 100,396 |
| Travel, Meetings and Conferences | 693 | 2,872 |
| Consulting Services | 37,070 | 51,810 |
| Insurance | 19,471 | 16,693 |
| Dues and Subscriptions | 13,012 | 14,080 |
| Rent and Storage | 44,400 | 44,400 |
| Repairs and Maintenance | 1,091 | 10,071 |
| Office Expense | 15,169 | 12,857 |
| Total Operating Expenses | <u>666,072</u> | <u>668,921</u> |
| NET OPERATING INCOME (LOSS) | <u>232,738</u> | <u>287,164</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest Income | 4,324 | 3,927 |
| Interest Expense | (3,585) | (4,128) |
| Depreciation Expense | (172,468) | (168,598) |
| Gain/(Loss) on Sale of Equipment | (16,402) | - |
| NET NON-OPERATING REVENUES (EXPENSES) | <u>(188,131)</u> | <u>(168,799)</u> |
| CHANGE IN NET POSITION | 44,607 | 118,365 |
| NET POSITION- Beginning of the Year | <u>10,771,936</u> | <u>10,653,571</u> |
| NET POSITION- End of the Year | <u>\$ 10,816,543</u> | <u>\$ 10,771,936</u> |

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31,

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Providing Services | \$ 796,361 | \$ 894,832 |
| Receipts from Related Parties | 22,000 | 22,000 |
| Payments for Personal Services and Benefits | (390,799) | (314,151) |
| Payments to Contractors | <u>(288,616)</u> | <u>(451,962)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>138,946</u> | <u>150,719</u> |
| CASH FLOW FROM CAPITAL ACTIVITIES | | |
| Proceeds from Sale of Capital Assets | 21,650 | - |
| Purchase of Capital Assets | <u>(9,288)</u> | <u>-</u> |
| NET CASH PROVIDED BY CAPITAL ACTIVITIES | <u>12,362</u> | <u>-</u> |
| CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Principal and Interest Paid on Note Payable | <u>(29,519)</u> | <u>(28,444)</u> |
| NET CASH USED BY NON-CAPITAL FINANCING ACTIVITIES | <u>(29,519)</u> | <u>(28,444)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest Income | <u>4,324</u> | <u>3,927</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>4,324</u> | <u>3,927</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 126,113 | 126,202 |
| CASH AND CASH EQUIVALENTS- Beginning of the Year | <u>8,629,383</u> | <u>8,503,181</u> |
| CASH AND CASH EQUIVALENTS- End of the Year | <u>\$ 8,755,496</u> | <u>\$ 8,629,383</u> |
| Cash | \$ 6,820,571 | \$ 7,156,081 |
| Cash - Restricted | <u>1,934,925</u> | <u>1,473,302</u> |
| | <u>\$ 8,755,496</u> | <u>\$ 8,629,383</u> |
| Reconciliation of operating revenue (loss) to net cash provided (used) by operating activities: | | |
| Operating Income (Loss) | \$ 232,738 | \$ 287,164 |
| Changes in Assets and Liabilities | | |
| Accounts Receivable | (17,701) | (17,617) |
| Due From Related Parties | - | 9,196 |
| Due From State and Federal | 93,185 | (93,185) |
| Prepaid Expenses | 2,649 | 541 |
| Operating Leases Receivable | 83,885 | 10,772 |
| Capital Leases Receivable | 29,881 | 28,999 |
| Notes Receivable | 134,207 | 127,783 |
| Mortgage Note Receivable | (168,000) | - |
| Capital Assets to Lease | - | (98,756) |
| Accounts Payable | (18,855) | (9,666) |
| Accrued Payroll | 3,562 | 1,493 |
| Unearned Revenue | (188,250) | 163,833 |
| Project Escrow Liabilities | (13,081) | 3,193 |
| PILOT Escrow Liabilities | 236,672 | (243,518) |
| Sales Tax Escrow Liabilities | (188,061) | (8,741) |
| Deferred Inflows of Resources - Leases | <u>(83,885)</u> | <u>(10,772)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 138,946</u> | <u>\$ 150,719</u> |

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the County of Sullivan Industrial Development Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The County of Sullivan Industrial Development Agency follows the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the financial statements.

Financial Reporting Entity

The County of Sullivan Industrial Development Agency (the "Agency") was created in 1970 as public benefit corporation through state legislation to promote the economic welfare, recreation opportunities, and prosperity of the County's inhabitants. The Agency is exempt from federal, state, and local income taxes. The County's governing body appoints members of the Agency, and the County exercises some oversight responsibility for management of the Agency. Although the management is not accountable directly to the County for fiscal matters, a budget is submitted to the County, and the County assumes a financial burden from the Agency by assuming certain expenses incurred by the Agency through its bonding transactions. Accordingly, the Agency is considered a component unit of the County of Sullivan, and reports as such.

Administrative Fee Income

Administrative fees for Agency costs relating to the project are recognized as income upon consummation of the related transactions. The fees charged by the Agency are based on a percentage of the financing, individual negotiations, the size of the project, and/or on an "as incurred" basis.

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial. Accounts receivable at December 31, 2025 and 2024 amounted to \$76,335 and \$58,634, respectively.

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

The Agency records capital assets at historical cost and depreciates the assets on a straight-line basis over their estimated useful lives. Assets are not depreciated until placed in service. Estimated useful lives are as follows:

| | |
|----------------------------|-------------|
| Equipment | 5-40 Years |
| Buildings And Improvements | 20-40 Years |

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

For the statement of cash flows, the Agency considers all highly liquid investments as cash equivalents.

Operating Revenues and Expenses

In the statement of revenues, expenses and changes in net position, operating revenues and expenses include all activity that is part of the Agency’s normal operating activities. Interest earned on cash balances, depreciation and unusual or infrequent items are included as non-operating activities.

Liabilities Paid From Restricted Assets

The following liabilities of the Agency will be paid from restricted assets:

| | <u>2025</u> | <u>2024</u> |
|-----------------|-------------------|-------------------|
| Escrow Balances | \$ 730,674 | \$ 522,999 |
| Note Payable | <u>167,628</u> | <u>193,561</u> |
| | <u>\$ 898,302</u> | <u>\$ 716,560</u> |

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards

The Agency has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2025 the Agency implemented the following new standards:

GASB 102 – *Certain Risk Disclosures*

Future Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 103 – *Financial Reporting Model Improvements*, effective for the year ending December 31, 2026.

GASB 104 – *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026

GASB 105 – *Subsequent Events*, effective for the year ending December 31, 2027

The Agency will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Equity Classifications

In the financial statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Agency.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Agency and then determine which classification of net position will be applied.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency reported deferred inflows of resources related to leases of \$561,789 and \$645,674 as of December 31, 2025 and 2024, respectively.

NOTE 2 – CASH AND INVESTMENTS

New York State statutes govern the Agency’s investment policies. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Chief Executive Officer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State and its localities. Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance.

Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts. The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

The Agency’s aggregate bank balances included balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging
financial institution, or its trust department or agent,
but not in the Agency’s name. \$ 8,423,108

NOTE 3 – NOTES RECEIVABLE

Notes receivable consist of amounts due from various business entities within Sullivan County. The purpose of these notes is to help local businesses expand and develop. A schedule of notes receivable at December 31, 2025 and 2024 is as follows:

| <u>Borrower</u> | <u>Original Loan</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>BALANCE</u> | |
|------------------------|--------------------------|--------------------------|--------------------------|-------------------|-------------------|
| | | | | <u>2025</u> | <u>2024</u> |
| David Appel | 84,098 | 2024 | 4.00% | \$ - | \$ 3,491 |
| Agrarian Feast | 80,000 | 2032 | 4.00% | - | 94,789 |
| Murray Bresky | 100,000 | 2032 | 4.00% | 69,439 | 77,860 |
| Cochecton Holdings | 90,000 | 2033 | 6.1875% | 72,364 | 82,183 |
| 2 Queens LLC | 46,000 | 2028 | 5.13% | 28,528 | 37,469 |
| 3 Franks Inc. | 45,000 | 2028 | 5.13% | <u>27,908</u> | <u>36,654</u> |
| Total Notes Receivable | | | | 198,239 | 332,446 |
| Less: Current Portion | | | | <u>(37,942)</u> | <u>(40,707)</u> |
| Long Term Portion | | | | <u>\$ 160,297</u> | <u>\$ 291,739</u> |

NOTE 4 – UNEARNED REVENUE

The Agency had unearned revenue at December 31, 2025 and 2024, consisting of the following items:

| | <u>2025</u> | <u>2024</u> |
|--------------|-----------------|-------------------|
| Project Fees | <u>\$ 4,500</u> | <u>\$ 192,750</u> |

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 – OPERATING LEASES RECEIVABLE

The Agency has entered into lease agreements with several companies in which the Agency purchased equipment to be used by the lessee. The lessees will pay monthly payments in various amounts over the course of the leases. Upon expiration of the lease terms, the lessees have the option to purchase the equipment for various amounts. In accordance with GASB 87, the Agency has reported an asset for leases receivable and an offsetting deferred inflows of resources-leases in the statement of net position at an amount equal to the present value of future lease payments. Details of the operating lease transactions are as follows:

| <u>Lessee</u> | <u>Type</u> | <u>Maturity Date</u> | <u>Discount Rate</u> | <u>Monthly Payment</u> | <u>Balance 2025</u> | <u>Balance 2024</u> |
|-------------------------|-------------|----------------------|----------------------|--------------------------------------|---------------------|---------------------|
| Catskill Brewery | Equipment | 2030 | 3% | \$ 624 | \$ 33,141 | \$ 39,494 |
| Catskill Brewery | Equipment | 2032 | 3% | 821 | 56,833 | 64,816 |
| Catskill Brewery | Equipment | 2031 | 3% | 1,567 | 101,810 | 117,301 |
| Roscoe Beer | Equipment | 2028 | 3% | 676 | 20,792 | 28,146 |
| Roscoe Beer | Equipment | 2026 | 1% | 451 | 4,050 | 9,395 |
| Prohibition Distillery | Equipment | 2028 | 3% | 679 | 20,863 | 28,260 |
| SC Regional Food Hub | Equipment | 2038 | 1% | 231 | - | 35,864 |
| SC Regional Food Hub | Equipment | 2028 | 1% | 312 | - | 14,080 |
| SC Regional Food Hub | Equipment | 2028 | 1% | 398 | - | 17,934 |
| SC Regional Food Hub | Vehicle | 2025 | 1% | 464 | - | 4,616 |
| SC Regional Food Hub | Vehicle | 2026 | 1% | 480 | 479 | 6,201 |
| SC Regional Food Hub | Equipment | 2034 | 1% | 122 | - | 12,680 |
| SC Regional Food Hub | Equipment | 2035 | 1% | 340 | 35,431 | - |
| SC Regional Food Hub | Equipment | 2035 | 1% | 661 | 68,826 | - |
| Seminary Hill | Equipment | 2027 | 1% | 689 | 11,640 | 19,746 |
| Seminary Hill | Equipment | 2033 | 3% | 547 | 41,795 | 47,028 |
| Locust Grove | Equipment | 2025 | 1% | 427 | - | 3,402 |
| SC Farms | Equipment | 2025 | 1% | 451 | - | 900 |
| SC Farms | Equipment | 2025 | 1% | 387 | - | 773 |
| AMJR, LLC | Equipment | 2036 | 1% | 889 | 111,135 | 120,645 |
| SC Regional Food Hub | Building | 2028 | 3% | 1,750 ** | <u>54,994</u> | <u>74,393</u> |
| | | | | ** - Increased by CPI annually | | |
| Total Leases Receivable | | | | | 561,789 | 645,674 |
| Less: Current Portion | | | | | <u>104,127)</u> | <u>(119,315)</u> |
| Long Term Portion | | | | | <u>\$ 457,662</u> | <u>\$ 526,359</u> |

The Agency recognized \$118,861 and \$118,548 in operating lease revenue and \$13,626 and \$14,620 in operating lease interest for the years ended December 31, 2025 and 2024, respectively.

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 – CAPITAL LEASES RECEIVABLE

The Agency has entered into an agreement to lease equipment to a company at 3.00% over a term of 108 months. The lease matures in 2031, at which time the company has the option of purchasing the equipment for \$1. Since the lessee can purchase the equipment at the end of the lease for a below market price, the transaction is being treated as a direct financing lease, which means the Agency is financing the in-substance purchase of the equipment by the lessee. The terms of the capital lease are as follows:

| Lessee | <u>Description</u> | <u>Maturity</u> | <u>Interest Rate</u> | <u>Monthly Payment</u> | <u>Balance 2025</u> | <u>Balance 2024</u> |
|---------------------------------|--------------------|-----------------|----------------------|------------------------|---------------------|---------------------|
| SVG 26, LLC | Equipment | 2031 | 3% | 2,992 | \$ 184,338 | \$ 214,219 |
| Total Capital Leases Receivable | | | | | 184,338 | 214,219 |
| Less: Current Portion | | | | | <u>(30,790)</u> | <u>(29,881)</u> |
| Long Term Portion | | | | | <u>\$ 153,548</u> | <u>\$ 184,338</u> |

The Agency recognized \$6,017 and \$6,900 in capital lease interest for the years ended December 31, 2025 and 2024, respectively.

The future minimum lease payments to be received by the Agency under the terms of the lease agreements are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|-------------------|------------------|
| 2026 | \$ 30,790 | \$ 5,109 |
| 2027 | 31,727 | 4,173 |
| 2028 | 32,692 | 3,208 |
| 2029 | 33,686 | 2,213 |
| 2030 | 34,710 | 1,189 |
| 2031 | <u>20,733</u> | <u>208</u> |
| Total | <u>\$ 184,338</u> | <u>\$ 16,100</u> |

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7 – CAPITAL ASSETS

The Agency’s capital assets for the years ended December 31, 2025 and 2024 are as follows:

| 2025 | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|-------------------------------------|------------------------------|--------------------|------------------|---------------------------|
| Buildings And Improvements - Leased | \$ 1,603,585 | \$ - | \$ - | \$ 1,603,585 |
| Equipment - Leased | 1,952,994 | - | 201,897 | 1,751,097 |
| Equipment | <u>28,698</u> | <u>9,288</u> | <u>4,149</u> | <u>33,837</u> |
| Depreciable Historical Cost | <u>3,585,277</u> | <u>9,288</u> | <u>206,046</u> | <u>3,388,519</u> |
| Accumulated Depreciation: | | | | |
| Building And Improvements - Leased | 252,187 | 40,423 | - | 292,610 |
| Equipment - Leased | 719,551 | 129,420 | 163,846 | 684,945 |
| Equipment | <u>24,064</u> | <u>2,805</u> | <u>4,149</u> | <u>22,720</u> |
| Total Accumulated Depreciation | <u>995,802</u> | <u>172,468</u> | <u>167,995</u> | <u>1,000,275</u> |
| Net Cost | <u>\$ 2,589,475</u> | <u>(163,180)</u> | <u>38,051</u> | <u>\$ 2,388,244</u> |
| | | | | |
| 2024 | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
| Buildings And Improvements - Leased | \$ 1,603,585 | \$ - | \$ - | \$ 1,603,585 |
| Equipment - Leased | 1,854,238 | 98,756 | - | 1,952,994 |
| Equipment | <u>28,698</u> | <u>-</u> | <u>-</u> | <u>28,698</u> |
| Depreciable Historical Cost | <u>3,486,521</u> | <u>98,756</u> | <u>-</u> | <u>3,585,277</u> |
| Accumulated Depreciation: | | | | |
| Building And Improvements - Leased | 211,764 | 40,423 | - | 252,187 |
| Equipment - Leased | 594,027 | 125,524 | - | 719,551 |
| Equipment | <u>21,413</u> | <u>2,651</u> | <u>-</u> | <u>24,064</u> |
| Total Accumulated Depreciation | <u>827,204</u> | <u>168,598</u> | <u>-</u> | <u>995,802</u> |
| Net Cost | <u>\$ 2,659,317</u> | <u>\$ (69,842)</u> | <u>\$ -</u> | <u>\$ 2,589,475</u> |

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 – RELATED PARTIES

Sullivan County Funding Corporation

The County of Sullivan, New York formed the Sullivan County Funding Corporation on November 24, 2010 under Section 1411 of the Not For Profit Corporation Law of the State of New York, which covers local development corporations. Similar to the County of Sullivan Industrial Development Agency, the Sullivan County Funding Corporation is a component unit of the County of Sullivan.

The Sullivan County Funding Corporation reimburses the Agency for bookkeeping and related administrative costs during the year. The Agency received \$10,000 and \$10,000 from the Sullivan County Funding Corporation for administrative services for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, there were no outstanding receivables owed to the Agency related to administrative services.

Additionally, the Agency pays insurance premiums during the year of which the Corporation reimburses them for its portion of the coverage. There were no outstanding receivables owed to the Agency related to insurance premiums as of December 31, 2025 and 2024.

The Sullivan County Infrastructure Local Development Corporation

The County of Sullivan, New York formed The Sullivan County Infrastructure Local Development Corporation on February 10, 2016 under Section 1411 of the Not For Profit Corporation Law of the State of New York, which covers local development corporations. Similar to the County of Sullivan Industrial Development Agency, The Sullivan County Infrastructure Local Development Corporation is a component unit of the County of Sullivan.

The Sullivan County Infrastructure Local Development Corporation reimburses the Agency for bookkeeping and related administrative costs during the year. The Agency received \$12,000 and \$12,000 from The Sullivan County Infrastructure Local Development Corporation for administrative costs for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, there were no outstanding receivables owed to the Agency related to administrative services.

Additionally, the Agency pays insurance premiums during the year of which the Corporation reimburses them for its portion of the coverage. There were no outstanding receivables owed to the Agency related to insurance premiums as of December 31, 2025 and 2024.

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 – LONG TERM DEBT

The Agency entered into an agreement with the United States Department of Agriculture (USDA) to create a Rural Microloan Revolving Fund (RMRF), which will provide loans to local eligible businesses. The funds drawn down from the USDA, which must be used to capitalize a Rural Microentrepreneur Assistance Program (RMAP), are in the form of a loan that must be repaid to the USDA. The outstanding balance accrues interest at 2% per annum and must be repaid in equally amortized monthly payments of principal and interest over a period not to exceed 20 years. The first payment, consisting of principal and interest, was due in May 2014.

The changes in the Agency’s long term debt during the years ended December 31, 2025 and 2024 are summarized as follows:

| <u>2025</u> | BALANCE <u>01/01/25</u> | ADDITIONS | DELETIONS | BALANCE <u>12/31/25</u> | AMOUNTS DUE WITHIN <u>ONE YEAR</u> |
|-------------------|----------------------------|-------------|------------------|----------------------------|--|
| RMAP Note Payable | <u>\$ 193,561</u> | <u>\$ -</u> | <u>\$ 25,933</u> | <u>\$ 167,628</u> | <u>\$ 25,276</u> |

| <u>2024</u> | BALANCE <u>01/01/24</u> | ADDITIONS | DELETIONS | BALANCE <u>12/31/24</u> | AMOUNTS DUE WITHIN <u>ONE YEAR</u> |
|-------------------|----------------------------|-------------|------------------|----------------------------|--|
| RMAP Note Payable | <u>\$ 217,877</u> | <u>\$ -</u> | <u>\$ 24,316</u> | <u>\$ 193,561</u> | <u>\$ 24,776</u> |

The following is a summary of the Agency’s future debt service requirements:

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> |
|-------------|-------------------|------------------|
| 2026 | \$ 25,276 | \$ 3,148 |
| 2027 | 25,786 | 2,637 |
| 2028 | 26,307 | 2,117 |
| 2029 | 26,837 | 1,587 |
| 2030 | 27,379 | 1,045 |
| 2031-2032 | <u>36,043</u> | <u>492</u> |
| TOTAL | <u>\$ 167,628</u> | <u>\$ 11,026</u> |

COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 10 – MORTGAGE NOTE RECEIVABLE

On November 6, 2025, the Agency entered into a termination agreement related to a sale/leaseback transaction. As a result of the termination, the company was required to pay a \$168,000 termination fee to the Agency in accordance with the Leaseback Agreement. The Agency extended the due date of the termination fee to November 1, 2030, and secured the obligation with a mortgage on the company's property.

NOTE 11 – EVENTS OCCURRING AFTER REPORTING DATE

The Agency has evaluated events and transactions that occurred between December 31, 2025 and March 26, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**County of Sullivan Industrial Development Agency
Schedule of Other Information
December 31, 2025**

| Project Name | 2025 Tax Exemptions | | | 2025 Payments in Lieu of Taxes (PILOTs) | Full-Time Equivalent Jobs (FTEs) Created and Retained | | | | | |
|---|---------------------|-------------------------|------------------------|---|---|---|--|---------------------------|--|-----------------------|
| | Sales Tax | Total Real Property Tax | Mortgage Recording Tax | | # of FTEs before IDA status | Original estimate of jobs to be created | Original estimate of jobs to be retained | # of FTE Jobs During 2025 | # of FTE construction jobs during 2025 | Net Employment Change |
| 234 Main Street LLC | - | 50,295.05 | - | 20,153.27 | 0 | 10 | 0 | 2 | 0 | 2 |
| 457 Equities Monticello Corp. | - | 61,265.09 | - | 26,589.67 | 4 | 20 | 4 | 35 | 2 | 31 |
| Adelaar Developer, LLC | - | 3,023,129.66 | - | 185,090.69 | 0 | 350 | 0 | 273 | 0 | 273 |
| Amytra Development, LLC | - | 747,937.26 | - | 37,688.85 | 0 | 24 | 0 | 43 | 0 | 43 |
| Be Neet, LLC / Jeff Sanitation, Inc. | - | 21,983.45 | - | 7,993.00 | 10 | 3 | 10 | 15 | 0 | 5 |
| Bethel Woods Performing Arts Center LLC | - | - | - | 69,676.53 | 0 | 15 | 0 | 110 | 0 | 110 |
| Catskill Hospitality Holding, LLC | - | 151,203.17 | - | 14,807.26 | 0 | 12 | 0 | 14 | 0 | 14 |
| Center for Discovery, Inc. (Hurleyville PAC) | - | - | - | 25,000.00 | 0 | 0 | 0 | 8 | 0 | 8 |
| Center One Holdings LLC | - | 48,709.09 | - | 21,918.46 | 0 | 15 | 0 | 0 | 0 | 0 |
| Deb El Food Products LLC | - | 51,507.31 | - | 39,431.89 | 10 | 10 | 10 | 139 | 0 | 129 |
| Dimifii-Fallsburg, LLC | - | 28,732.72 | - | 13,631.51 | 68 | 4 | 68 | 298 | 0 | 230 |
| Doetsch Family I & II Seminary Hill Ciders | - | 69,764.21 | - | 3,208.02 | 0 | 12.5 | 0 | 16 | 0 | 16 |
| Doetsch Family III Old Ross House | - | 3,004.98 | - | 2,186.32 | 0 | 1 | 0 | 0 | 0 | 0 |
| Doetsch Family III Seminary Suites | - | 9,151.37 | - | 4,575.68 | 0 | 0 | 0 | 2 | 0 | 2 |
| Empire Resorts Real Estate I, LLC | - | 133,159.27 | - | 78,972.02 | 0 | 55 | 0 | 0 | 10 | 0 |
| Empire Resorts Real Estate II, LLC | - | 483,140.64 | - | 29,614.51 | 0 | 63 | 0 | 0 | 0 | 0 |
| EPT Concord II, LLC / EPR Concord II | - | 269,420.20 | - | 249,014.95 | 0 | 520 | 0 | 1 | 0 | 1 |
| Fay Hospitality Catskills | pending | - | 1,680.00 | - | 269 | 0 | 269 | 247 | 5 | -22 |
| Four Goats, LLC | - | 31,189.80 | - | 18,390.19 | 0 | 15 | 0 | 15 | 0 | 15 |
| Homesteadt/ North Branch Cider Mill | 480.00 | 10,498.59 | - | 9,096.32 | 0 | 8 | 0 | 4 | 4 | 4 |
| Hudsut, LLC & HVFG, LLC | - | - | - | - | 0 | 10 | 0 | 0 | 0 | 0 |
| International Contractors Corp / Jam Two LLC | - | 15,979.02 | - | 6,078.00 | 4 | 2 | 4 | 5 | 0 | 1 |
| Lodge at Neversink | - | 60,969.39 | - | 42,977.02 | 0 | 43 | 0 | 34 | 0 | 34 |
| M E P Wholesalers Corp. & Gibbers Estates LLC | - | 1,096.67 | - | 1,096.67 | 0 | 5 | 0 | 6 | 0 | 6 |
| Maude Crawford Realty LLC/ Bridgeville Ski Co. Inc. | 198,576.86 | 36,458.76 | - | 25,376.68 | 4 | 2 | 4 | 22 | 68 | 18 |
| Metallized Carbon Corporation | - | 39,995.92 | - | 9,868.60 | 0 | 10 | 0 | 11 | 0 | 11 |
| Mogenavland - Town of Bethel | - | 187,891.53 | - | 63,728.66 | 9 | 0 | 9 | 7 | 0 | -2 |
| Mogenavland - Town of Tusten | - | 102,112.06 | - | 26,209.72 | 9 | 0 | 9 | 76 | 0 | 67 |
| Monticello Industrial Park LLC | - | 20,046.43 | - | 17,493.20 | 0 | 0 | 0 | 0 | 0 | 0 |
| Montreign Operating Company LLC | - | 6,153,770.96 | - | 1,069,412.88 | 0 | 1050 | 0 | 1137 | 0 | 1137 |
| Mountain Kosher Grocery | - | 74,668.76 | - | 33,127.89 | 13 | 7 | 13 | 20 | 8 | 7 |
| Nonni's | - | 115,130.76 | - | 66,369.50 | 0 | 14 | 0 pending | 0 | 0 pending | 0 |
| NY Bethel I LLC | - | - | - | 30,800.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware I, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware II, LLC | - | - | - | 13,800.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware III, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware IV, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware V, LLC | - | - | - | 11,080.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware VI, LLC | - | - | - | 21,210.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Fallsburg (Frank Brown Road), LLC | - | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Forestburgh I, LLC | pending | - | 11,084.20 | - | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Liberty I, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |

**County of Sullivan Industrial Development Agency
Schedule of Other Information
December 31, 2025**

| Project Name | 2025 Tax Exemptions | | | 2025 Payments in Lieu of Taxes (PILOTs) | Full-Time Equivalent Jobs (FTEs) Created and Retained | | | | | |
|---|---------------------|-------------------------|------------------------|---|---|---|--|---------------------------|--|-----------------------|
| | Sales Tax | Total Real Property Tax | Mortgage Recording Tax | | # of FTEs before IDA status | Original estimate of jobs to be created | Original estimate of jobs to be retained | # of FTE Jobs During 2025 | # of FTE construction jobs during 2025 | Net Employment Change |
| NY Liberty II LLC | - | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Mamakating I LLC | - | - | - | 24,487.50 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Thompson I, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Thompson II, LLC | - | - | - | 7,636.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Thompson III, LLC | 3,731.18 | - | - | - | 0 | 0 | 0 | 2 | 18 | 2 |
| NY Tusten I, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| Peck's Market of Jeffersonville | - | 16,016.73 | - | 15,542.79 | 8 | 8 | 8 | 0 | 0 | -8 |
| Psychedelic Solar LLC | - | - | - | 18,900.00 | 0 | 1 | 0 | 0 | 0 | 0 |
| Regency Manor Senior Housing LLC | - | 145,674.06 | - | 11,965.35 | 0 | 3 | 0 | 0 | 0 | 0 |
| RGG Realty LLC/ Columbia Ice | - | 44,583.56 | - | 15,757.88 | 0 | 5 | 0 | 10 | 0 | 10 |
| RJ Baker Corp. / Beaverkill Studio | - | 17,032.92 | - | 8,004.09 | 1 | 3 | 1 | 0 | 0 | -1 |
| Rock Meadow Partners, LLC | - | 37,296.64 | - | 6,413.12 | 0 | 4 | 0 | 6 | 0 | 6 |
| Rosemond Solar | - | - | - | 13,144.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| SCCC Dormitory Corporation | - | - | - | - | 0 | 9 | 0 | 1 | 0 | 1 |
| Sullivan Glen Wild Corp. | - | 41,615.94 | - | 17,226.83 | 3 | 7 | 3 | 12 | 0 | 9 |
| Sunset Lake Local Development Corporation | - | 358,920.17 | - | 358,920.17 | 150 | 0 | 150 | 0 | 0 | -150 |
| Theowins / Catskill Brewery | - | 33,295.99 | - | 25,804.39 | 5 | 4 | 5 | 14 | 0 | 9 |
| Veria Lifestyle Inc. (Infrastructure) | - | 327,735.45 | - | 270,274.69 | 0 | 0 | 0 | 0 | 0 | 0 |
| Veria Wellness Center | - | 1,582,237.49 | - | 511,039.19 | 0 | 200 | 0 | 50 | 0 | 50 |
| Veteran NY 55 Sturgis, LLC | - | 48,203.49 | - | 40,972.96 | 0 | 12 | 0 | 14 | 0 | 14 |
| West Delaware Hydro Associates, L.P. | - | 170,543.73 | - | 175,000.00 | 0 | 2 | 0 | 0 | 0 | 0 |
| Yasgur Road Productions, LLC | - | 9,128.73 | - | 3,085.65 | 0 | 7 | 0 | 2 | 3 | 2 |
| | 202,788.04 | 14,834,497.02 | 12,764.20 | 3,939,842.57 | | | | | | |

County of Sullivan Industrial Development Agency
Schedule of Other Information
December 31, 2024

| Project Name | 2024 Tax Exemptions | | | 2024 Payments in Lieu of Taxes (PILOTS) | Full-Time Equivalent Jobs (FTEs) Created and Retained | | | | | |
|---|---------------------|-------------------------|------------------------|---|---|---|--|---------------------------|--|-----------------------|
| | Sales Tax | Total Real Property Tax | Mortgage Recording Tax | | # of FTEs before IDA status | Original estimate of jobs to be created | Original estimate of jobs to be retained | # of FTE Jobs During 2024 | # of FTE construction jobs during 2024 | Net Employment Change |
| 234 Main Street LLC | - | 49,175.16 | - | 23,538.77 | 0 | 10 | 0 | 2 | 0 | 2 |
| 457 Equities Monticello Corp. | - | 58,555.94 | - | 27,717.46 | 4 | 20 | 4 | 30 | 5 | 26 |
| Adelaar Developer, LLC | - | 2,974,814.90 | - | 202,369.59 | 0 | 350 | 0 | 270 | 11 | 270 |
| Amytra Development, LLC | - | 604,294.39 | - | 42,589.02 | 0 | 24 | 0 | 39 | 0 | 39 |
| Be Neet, LLC / Jeff Sanitation, Inc. | - | 21,813.64 | - | 9,085.18 | 10 | 3 | 10 | 13 | 9 | 3 |
| Bethel Woods Performing Arts Center LLC | - | - | - | 69,676.52 | 0 | 15 | 0 | 138 | 35 | 138 |
| Catskill Hospitality Holding, LLC | - | 148,786.68 | - | 16,189.57 | 0 | 12 | 0 | 14 | 0 | 14 |
| Center for Discovery, Inc. (Hurleyville PAC) | - | - | - | 25,000.00 | 0 | 0 | 0 | 5 | 0 | 5 |
| Center One Holdings LLC | - | 48,232.37 | - | 26,407.91 | 0 | 15 | 0 | 0 | 0 | 0 |
| Deb El Food Products LLC | - | 50,684.14 | - | 42,478.32 | 10 | 10 | 10 | 106 | 50 | 96 |
| Dimifi-Fallsburg, LLC | - | 28,092.95 | - | 15,547.62 | 68 | 4 | 68 | 327 | 0 | 259 |
| Doetsch Family I & II Seminary Hill Ciders | - | 69,225.35 | - | 3,692.55 | 0 | 12.5 | 0 | 15 | 0 | 15 |
| Doetsch Family III Old Ross House | - | 2,981.77 | - | 2,516.54 | 0 | 1 | 0 | 0 | 0 | 0 |
| Doetsch Family III Seminary Suites | - | 9,080.69 | - | 5,266.79 | 0 | 0 | 0 | 2 | 0 | 2 |
| Empire Resorts Real Estate I, LLC | - | 111,272.69 | - | 86,344.36 | 0 | 55 | 0 | 0 | 10 | 0 |
| Empire Resorts Real Estate II, LLC | - | 475,419.22 | - | 26,982.61 | 0 | 63 | 0 | 0 | 0 | 0 |
| EPT Concord II, LLC / EPR Concord II | - | 265,114.40 | - | 205,330.93 | 0 | 520 | 0 | 1 | 0 | 1 |
| Fay Hospitality Catskills | 30,832.55 | - | 71,521.51 | - | 269 | 0 | 269 | 234 | 10 | -35 |
| Forestburgh Property, LLC | - | 45,271.84 | - | 48,010.78 | 0 | 12 | 0 | 0 | 0 | 0 |
| Four Goats, LLC | - | 30,936.62 | - | 19,760.97 | 0 | 15 | 0 | 15 | 1 | 15 |
| Homstedt/ North Branch Cider Mill | 535.00 | - | 5,000.00 | - | 0 | 8 | 0 | 3 | 3 | 3 |
| Hudsut, LLC & HVFG, LLC | - | - | - | - | 0 | 10 | 0 | 0 | 0 | 0 |
| International Contractors Corp / Jam Two LLC | - | 17,283.95 | - | 6,983.05 | 4 | 2 | 4 | 6 | 0 | 2 |
| Lodge at Neversink | - | 59,257.75 | - | 46,991.81 | 0 | 43 | 0 | 30 | 0 | 30 |
| Loughlin & Billig, PC | - | 12,632.63 | - | 9,623.09 | 30 | 15 | 30 | 6 | 0 | -24 |
| M E P Wholesalers Corp. & Gibbers Estates LLC | 25,864.88 | - | 24,000.00 | - | 0 | 5 | 0 | 4 | 20 | 4 |
| Maude Crawford Realty LLC/ Bridgeville Ski Co. Inc. | 377,721.80 | - | 1,800.00 | - | 4 | 2 | 4 | 19 | 43 | 15 |
| Metallized Carbon Corporation | - | 35,877.07 | - | 8,947.37 | 0 | 10 | 0 | 11 | 0 | 11 |
| MHC 83 (HW PORTFOLIO) LLC | - | 135,798.25 | - | 71,884.14 | 0 | 3 | 0 | pending | pending | pending |
| Millennium Pipeline Company LLC | - | 1,464,439.00 | - | 719,160.09 | 0 | 17 | 0 | 0 | 0 | 0 |
| Mogenavland - Town of Bethel | - | 191,094.88 | - | 62,581.07 | 9 | 0 | 9 | 7 | 0 | -2 |
| Mogenavland - Town of Tusten | - | 99,957.10 | - | 27,487.11 | 9 | 0 | 9 | 76 | 0 | 67 |
| Monticello Industrial Park LLC | - | 19,159.97 | - | 18,577.39 | 0 | 0 | 0 | 0 | 0 | 0 |
| Montreign Operating Company LLC | - | 6,055,423.23 | - | 1,169,246.49 | 0 | 1050 | 0 | 1431 | 30 | 1431 |
| Mountain Kosher Grocery | 635.20 | 42,487.24 | - | 33,612.82 | 3 | 3 | 13 | 18 | 18 | 15 |
| Nonni's | - | 138,096.27 | - | 85,619.69 | 0 | 14 | 0 | 55 | 0 | 55 |
| NY Bethel I LLC | - | - | - | 32,663.40 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware I, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware II, LLC | - | - | - | 13,800.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware III, LLC | - | - | - | 21,210.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware IV, LLC | - | - | - | 21,210.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware V, LLC | - | - | - | 16,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Delaware VI, LLC | - | - | - | 20,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Fallsburg (Frank Brown Road), LLC | - | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Forestburgh I, LLC | 15,939.00 | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Liberty I, LLC | - | - | - | 21,210.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Liberty II LLC | - | - | - | - | 0 | 0 | 0 | 0 | 1 | 0 |

**County of Sullivan Industrial Development Agency
Schedule of Other Information
December 31, 2024**

| Project Name | 2024 Tax Exemptions | | | 2024 Payments in Lieu of Taxes (PILOTS) | Full-Time Equivalent Jobs (FTEs) Created and Retained | | | | | |
|--|---------------------|-------------------------|------------------------|---|---|---|--|---------------------------|--|-----------------------|
| | Sales Tax | Total Real Property Tax | Mortgage Recording Tax | | # of FTEs before IDA status | Original estimate of jobs to be created | Original estimate of jobs to be retained | # of FTE Jobs During 2024 | # of FTE construction jobs during 2024 | Net Employment Change |
| NY Mamakating I LLC | 4,492.00 | - | - | - | 0 | 0 | 0 | 1 | 13 | 1 |
| NY Thompson I, LLC | - | - | - | 21,210.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Thompson II, LLC | - | - | - | 10,500.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| NY Thompson III, LLC | 13,555.83 | - | - | - | 0 | 0 | 0 | 4 | 105 | 4 |
| NY Tusten I, LLC | - | - | - | 21,210.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| Peck's Market of Jeffersonville | - | 27,704.49 | - | 20,125.01 | 8 | 8 | 8 | 0 | 0 | -8 |
| Psychedelic Solar LLC | - | - | - | 20,043.45 | 0 | 1 | 0 | 0 | 0 | 0 |
| Regency Manor Senior Housing LLC | - | 139,232.34 | - | 12,372.55 | 0 | 3 | 0 | 0 | 0 | 0 |
| RGG Realty LLC/ Columbia Ice | - | 42,612.07 | - | 16,556.16 | 0 | 5 | 0 | 7 | 0 | 7 |
| RJ Baker Corp. / Beaverkill Studio | - | 16,785.72 | - | 8,344.94 | 1 | 3 | 1 | 3 | 0 | 2 |
| Rock Meadow Partners, LLC | - | 36,509.53 | - | 6,548.90 | 0 | 4 | 0 | 5 | 0 | 5 |
| Rosemond Solar | - | - | - | 16,000.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| SCCC Dormitory Corporation | - | - | - | - | 0 | 9 | 0 | 1 | 0 | 1 |
| SPT Ivey 61 Emerald NY MOB, LLC | - | 563,641.56 | - | 204,582.15 | 0 | 200 | 0 | 188 | 0 | 188 |
| Sullivan Glen Wild Corp. (f/k/a BRR Brothers III & Sull. Co. Fab.) | - | 40,881.93 | - | 20,859.72 | 3 | 7 | 3 | 14 | 0 | 11 |
| Sunset Lake Local Development Corporation | - | 353,711.11 | - | 357,000.00 | 150 | 0 | 150 | 138 | 0 | -12 |
| SVG 26 LLC | - | 70,252.77 | - | - | 0 | 5 | 0 | 4 | 0 | 4 |
| Theowins / Catskill Brewery | - | 31,618.07 | - | 23,713.56 | 5 | 4 | 5 | 14 | 0 | 9 |
| Veria Lifestyle Inc. (Infrastructure) | - | 322,497.68 | - | 107,031.03 | 0 | 0 | 0 | 0 | 0 | 0 |
| Veria Wellness Center | - | 1,556,950.64 | - | 315,585.60 | 0 | 200 | 0 | 100 | 0 | 100 |
| Veteran NY 55 Sturgis, LLC | - | 46,071.93 | - | 38,009.34 | 0 | 12 | 0 | 14 | 0 | 14 |
| West Delaware Hydro Associates, L.P. | - | 165,755.93 | - | 175,000.00 | 0 | 2 | 0 | 0 | 0 | 0 |
| Yasgur Road Productions, LLC | - | 9,660.28 | 3,500.00 | 7,140.61 | 0 | 7 | 0 | 3 | 2 | 3 |
| | 469,576.26 | 16,689,146.14 | 105,821.51 | 4,727,146.03 | | | | | | |

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Members of the County
Of Sullivan Industrial Development Agency
Monticello, New York 12701

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the County of Sullivan Industrial Development Agency, a component unit of the County of Sullivan, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the County of Sullivan Industrial Development Agency's financial statements and have issued our report thereon dated March 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cooper Arias, LLP

Mongaup Valley, New York
March 26, 2026