

FINANCIAL STATEMENTS  
**ORANGE COUNTY PARTNERSHIP, INC.**  
DECEMBER 31, 2021 AND 2020

**ORANGE COUNTY PARTNERSHIP, INC.  
DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Orange County Partnership, Inc.  
Goshen, New York 10924

### Opinion

We have audited the accompanying financial statements of Orange County Partnership, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Orange County Partnership, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orange County Partnership, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Orange County Partnership, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Orange County Partnership, Inc.'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 Orange County Partnership, Inc.'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.

*Waschitz Pauloff CPA LLP*

Monticello, New York

June 17, 2022

**ORANGE COUNTY PARTNERSHIP, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31,**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 662,118	\$ 666,953
Accounts Receivable (Less Allowance for Doubtful Accounts of \$73,500 and \$10,565)	22,045	3,550
Employee Retention Credit Receivable	23,958	23,958
Prepaid Expenses	<u>5,097</u>	<u>6,884</u>
Total Current Assets	<u>713,218</u>	<u>701,345</u>
<b>PROPERTY AND EQUIPMENT</b>		
Property and Equipment	67,896	67,896
Transportation Equipment	58,789	-
Less: Accumulated Depreciation	<u>47,511</u>	<u>36,732</u>
Net Property and Equipment	<u>79,174</u>	<u>31,164</u>
Total Assets	<u><u>\$ 792,392</u></u>	<u><u>\$ 732,509</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 14,475	\$ -
Accounts Payable and Accrued Liabilities	37,215	37,230
Accrued Interest Payable	-	3,118
Deferred Revenue	<u>50</u>	<u>24,800</u>
Total Current Liabilities	<u>51,740</u>	<u>65,148</u>
<b>LONG-TERM LIABILITIES</b>		
Loan Payable (Net of Current Portion)	34,856	-
Economic Injury Disaster Loan	<u>-</u>	<u>150,000</u>
Total Long-Term Liabilities	<u>34,856</u>	<u>150,000</u>
Total Liabilities	<u>86,596</u>	<u>215,148</u>
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	<u>705,796</u>	<u>517,361</u>
Total Net Assets	<u>705,796</u>	<u>517,361</u>
Total Liabilities and Net Assets	<u><u>\$ 792,392</u></u>	<u><u>\$ 732,509</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**ORANGE COUNTY PARTNERSHIP, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Member Investments	\$ 674,006	\$ 546,066
Interest Income	1,854	948
Other Revenue	1,850	-
Employee Retention Credit Receivable	-	23,957
Event Income (Net of Expenses of \$119,481 and \$10,899)	180,329	152,360
Net Assets Released from Restrictions		
Satisfaction of Program Restrictions	<u>176,455</u>	<u>-</u>
Total Revenue and Other Support	<u>1,034,494</u>	<u>723,331</u>
EXPENSES		
Program Services	720,437	637,300
Management and General	<u>125,622</u>	<u>101,696</u>
Total Expenses	<u>846,059</u>	<u>738,996</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>188,435</u>	<u>(15,665)</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Paycheck Protection Program Forgiveness	176,455	-
Satisfaction of Program Restrictions	<u>(176,455)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	188,435	(15,665)
NET ASSETS AT BEGINNING OF YEAR	<u>517,361</u>	<u>533,026</u>
NET ASSETS AT END OF YEAR	<u>\$ 705,796</u>	<u>\$ 517,361</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**ORANGE COUNTY PARTNERSHIP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>TOTAL</u> <u>EXPENSES</u>
EXPENSES			
Salaries	\$ 433,079	\$ 66,872	\$ 499,951
Employee Benefits	42,636	6,584	49,220
Payroll Taxes	27,644	4,269	31,913
Professional Fees	5,392	14,797	20,189
Contract Labor	13,349	-	13,349
Advertising and Promotion	10,583	3,527	14,110
Office Expense	14,317	4,773	19,090
Occupancy	29,059	9,686	38,745
Auto	11,277	1,990	13,267
Travel	4,346	767	5,113
Conferences and Meetings	3,250	1,082	4,332
Insurance	3,137	1,046	4,183
Business Development	14,716	-	14,716
Telephone	9,302	3,101	12,403
Repairs and Maintenance	11,051	3,684	14,735
Dues and Subscriptions	1,712	570	2,282
Interest Expense	542	180	722
Bad Debt Expense	76,960	-	76,960
Depreciation	8,085	2,694	10,779
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL EXPENSES	<u>\$ 720,437</u>	<u>\$ 125,622</u>	<u>\$ 846,059</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**ORANGE COUNTY PARTNERSHIP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
EXPENSES			
Salaries	\$ 426,313	\$ 48,971	\$ 475,284
Employee Benefits	47,932	5,506	53,438
Payroll Taxes	27,167	3,121	30,288
Professional Fees	13,410	16,770	30,180
Contract Labor	16,241	-	16,241
Advertising and Promotion	9,951	3,317	13,268
Office Expense	8,871	2,957	11,828
Occupancy	26,224	8,741	34,965
Auto	13,555	2,393	15,948
Travel	2,658	469	3,127
Conferences and Meetings	2,848	949	3,797
Insurance	3,670	1,224	4,894
Business Development	6,061	-	6,061
Telephone	8,048	2,683	10,731
Repairs and Maintenance	9,577	3,192	12,769
Dues and Subscriptions	401	134	535
Accrued Interest Expense	2,338	779	3,117
Bad Debt Expense	10,565	-	10,565
Depreciation	1,470	490	1,960
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL EXPENSES	<u>\$ 637,300</u>	<u>\$ 101,696</u>	<u>\$ 738,996</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT



**ORANGE COUNTY PARTNERSHIP, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 188,435	\$ (15,665)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	10,779	1,960
Decrease (Increase) in Operating Assets		
Accounts Receivable	(18,495)	(3,550)
Employee Retention Credit Receivable	-	(23,958)
Prepaid Expenses	1,787	(2,693)
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities	(15)	(1,462)
Accrued Interest Payable	(3,118)	3,118
Deferred Revenue	(24,750)	24,800
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>154,623</u>	<u>(17,450)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	<u>(58,789)</u>	<u>(4,107)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(58,789)</u>	<u>(4,107)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New Borrowings:		
Long-Term	<u>58,789</u>	<u>150,000</u>
Debt Reduction:		
Long-Term	<u>(159,458)</u>	<u>-</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>(100,669)</u>	<u>150,000</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(4,835)	128,443
<b>CASH AT BEGINNING OF YEAR</b>	<u>666,953</u>	<u>538,510</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 662,118</u></u>	<u><u>\$ 666,953</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Operating Activities Reflect:		
Interest Paid	\$ 722	\$ -

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Orange County Partnership, Inc. (“Partnership”) is presented to assist in understanding the Partnership’s financial statements. The financial statements and the notes are representations of the Partnership’s management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Organization**

The Orange County Partnership, Inc. was incorporated in 1985 and operates as a non-profit organization. The Partnership provides development opportunities to businesses interested in Orange County, New York. The Partnership works with economic development professionals, 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. From site selection assistance, financing options, and employment training to marketing, the Partnership is a resource for economic development support.

**Income Taxes**

The Partnership is exempt from taxation under Section 501(c)(6) of the Internal Revenue Code. The Partnership evaluates all significant tax positions as required by generally accepted accounting principles in the United States and the tax laws that govern organizations exempt from income tax. As of December 31, 2021 and 2020, the Partnership does not believe that it has taken any tax positions that would jeopardize its tax exempt status or that would require the recording of any tax liability. The Partnership’s informational exempt tax filings are subject to examination by the appropriate federal and state jurisdictions. As of December 31, 2021, the Partnership’s federal and state informational tax exempt filings generally remained open for the last three years.

**Revenue Recognition**

In 2019, Orange County Partnership, Inc. adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* with no impact to opening net assets. When the Partnership enters into a contract with a customer, it believes it is probable that it will collect substantially all of the consideration to which it will be entitled in exchange for the services that will be transferred to the participant. As a normal business practice, Orange County Partnership, Inc. does not enter into contracts that require more than one year to complete. Additionally, Orange County Partnership, Inc. utilized certain exceptions allowed under Topic 606, including not assessing whether promised services are performance obligations if they are immaterial in the context of the contract with the customer and not disclosing the value of unsatisfied performance obligations for contracts with an original estimated length of time to convert of one year or less.

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**Basis of Presentation**

The Partnership reports information regarding its financial position and activities according to two classes of net assets: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions. A description of the two net asset categories follows:

Net Assets without Donor Restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting for the nature of the Partnership, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations.

Net Assets with Donor Restrictions – Net assets with Donor Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. The Organization's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Generally, the donors of these assets permit the Partnership to use the income earned on the related investments for specific purposes.

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cost Allocation**

The cost of providing the Partnership's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on estimates of time and effort.
- Occupancy and depreciation are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Partnership.

**Sources of Support**

The Partnership generates support from investors and sponsors of business networking events.

**Donated Goods and Services**

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These donations are recorded at their fair values as both a contribution and an expense in the period received. No donated goods or services were provided for the years ended December 31, 2021 and 2020.

**Cash and Cash Equivalents**

The Partnership considers all unrestricted demand deposits, money market funds and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are stated net of an allowance for doubtful accounts. The Partnership estimates an allowance for doubtful accounts on receivables more than 90 days old.

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prepaid Expenses**

Prepaid expenses primarily consist of prepaid insurance.

**Property and Equipment**

Property and equipment are stated at cost or the fair market value of donated assets. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets.

Estimated useful lives are as follows:

Office Equipment	3-5 years
Leasehold Improvements	39 years
Vehicles	5 years

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to \$10,779 and \$1,960, respectively.

**Support Recognition**

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for specific purposes by the donor are recognized when the purpose of the contribution is met. The amount of support to be recognized in future periods is recorded as deferred revenue. Deferred revenue for the years ended December 31, 2021 and 2020 amounted to \$50 and \$24,800, respectively.

**Advertising Costs**

The Partnership expenses the costs of advertising and promotions over the period the advertising is in effect. Advertising expenses for the years ended December 31, 2021 and 2020 were \$14,110 and \$13,268, respectively.

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Office Equipment	\$ 23,449	\$ 23,449
Leasehold Improvements	44,447	44,447
Automobiles	<u>58,789</u>	<u>-</u>
	123,685	67,896
Less: Accumulated Depreciation	<u>47,511</u>	<u>36,732</u>
Net Property and Equipment	<u>\$ 79,174</u>	<u>\$ 31,164</u>

**NOTE 3 - LONG-TERM DEBT**

Long-Term Debt consists of the following:

Loan Payable - KIA Motors - payable in monthly installments of \$1,274 beginning May 2021 through April 2025 including Interest at 1.900% - secured by personal property \$ 49,331

Principal payments due on long-term debt for each of the five years subsequent to December 31, 2021 are as follow:

2022	\$ 14,475
2023	14,752
2024	15,035
2025	5,069
2026	<u>-</u>
Total	<u>\$ 49,331</u>

In 2021, The Partnership repaid the Economic Injury Disaster Loan (EIDL) for \$150,000 that was borrowed in 2020.

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 4 - CONCENTRATION OF RISK**

**Concentration of Credit Risk**

Financial instruments that potentially subject the Partnership to concentrations of credit risk consist principally of temporary cash investments. The Partnership maintains cash balances with various financial institutions. The cash balances may, at times, exceed the amount covered by the Federal Deposit Insurance Corporation (FDIC) of \$250,000. At December 31, 2021, the Partnership's aggregate bank balances collateralized as follows:

Uncollateralized	\$ 11,055
Insured by the FDIC	650,526

**NOTE 5 - LIQUIDITY**

The Partnership has \$684,163 of financial assets available within one year of the balance sheet date consisting of cash of \$662,118 and accounts receivable of \$22,045. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

**NOTE 6 - LEASES**

The Partnership entered into a lease agreement for office equipment in June 2019 for a term of 39 months with monthly payments of \$509. Equipment lease expense for the years ended December 31, 2021 and 2020 was \$6,365 and \$6,720, respectively. Additional payments represent periodic usage charges over the parameters set forth in the contract.

The Partnership entered into a lease agreement for a vehicle in May 2018 for a term of 36 months with monthly payments of \$689. Vehicle lease expense for the years ended December 31, 2021 and 2020 was \$0 and \$8,270, respectively.

The Partnership leases office space in Goshen, New York and entered into a 60 month lease agreement in September 2013. This lease was renewed in September 2018 for an additional 60 months. Occupancy expense related to this lease for the years ended December 31, 2021 and 2020 was \$38,745 and \$34,965, respectively.

The following is a schedule of future minimum lease payments required under the leases:

2022	\$ 40,491
2023	<u>23,940</u>
	<u>\$64,431</u>

**ORANGE COUNTY PARTNERSHIP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 7 - PENSION PLAN**

The Partnership has a defined contribution pension plan that covers all full-time employees who have met eligibility requirements. Contributions to the plan are based on 7.5% of the participants' compensation. Pension contributions for the years ended December 31, 2021 and 2020 amounted to \$28,000 and \$29,907, respectively.

**NOTE 8 - PAYCHECK PROTECTION PROGRAM**

The Organization received two Paycheck Protection Programs for a total of \$176,455 in January 2021 and March 2021, respectively. These loans were fully forgiven by the Small Business Administration in July 2021.

**NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 17, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether change to the financial statements would be required.