

FINANCIAL STATEMENTS
ORANGE COUNTY PARTNERSHIP, INC.
DECEMBER 31, 2020 AND 2019

**ORANGE COUNTY PARTNERSHIP, INC.
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

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

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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020 and 2019, 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.

Waschitz Pauloff CPA LLP

Monticello, New York

May 25, 2021

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

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 666,953	\$ 538,510
Accounts Receivable (Less Allowance for Doubtful Accounts of \$10,565 and \$0)	3,550	-
Employee Retention Credit Receivable	23,958	-
Prepaid Expenses	6,884	4,190
Total Current Assets	701,345	542,700
PROPERTY AND EQUIPMENT		
Property and Equipment	67,896	63,790
Less: Accumulated Depreciation	36,732	34,771
Net Property and Equipment	31,164	29,019
Total Assets	\$ 732,509	\$ 571,719
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 37,230	\$ 38,693
Accrued Interest Payable	3,118	-
Deferred Revenue	24,800	-
Total Current Liabilities	65,148	38,693
LONG-TERM LIABILITIES		
Economic Injury Disaster Loan	150,000	-
Total Long-Term Liabilities	150,000	-
Total Liabilities	215,148	38,693
NET ASSETS		
Net Assets Without Donor Restrictions	517,361	533,026
Total Net Assets	517,361	533,026
Total Liabilities and Net Assets	\$ 732,509	\$ 571,719

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Member Investments	\$ 546,066	\$ 379,138
Interest Income	948	1,755
Other Revenue	-	1,500
Employee Retention Credit Receivable	23,957	-
Event Income (Net of Expenses of \$10,899 and \$138,655)	152,360	300,939
Total Revenue and Other Support	723,331	683,332
EXPENSES		
Program Services	637,300	703,123
Management and General	101,696	119,951
Total Expenses	738,996	823,074
INCREASE (DECREASE) IN NET ASSETS	(15,665)	(139,742)
NET ASSETS AT BEGINNING OF YEAR	533,026	672,768
NET ASSETS AT END OF YEAR	\$ 517,361	\$ 533,026

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>TOTAL</u> <u>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.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
EXPENSES			
Salaries	\$ 469,361	\$ 56,275	\$ 525,636
Employee Benefits	41,152	4,934	46,086
Payroll Taxes	32,485	3,895	36,380
Professional Fees	38,260	25,053	63,313
Contract Labor	9,800	-	9,800
Advertising and Promotion	2,485	828	3,313
Office Expense	17,053	5,685	22,738
Occupancy	26,224	8,741	34,965
Auto	14,438	2,548	16,986
Travel	5,544	978	6,522
Conferences and Meetings	7,620	2,538	10,158
Insurance	3,501	1,168	4,669
Business Development	12,890	-	12,890
Telephone	9,591	3,197	12,788
Repairs and Maintenance	10,997	3,666	14,663
Bad Debt Expense	385	-	385
Dues and Subscriptions	277	92	369
Depreciation	1,060	353	1,413
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u><u>\$ 703,123</u></u>	<u><u>\$ 119,951</u></u>	<u><u>\$ 823,074</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (15,665)	\$ (139,742)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,960	1,413
Decrease (Increase) in Operating Assets		
Accounts Receivable	(3,550)	425
Employee Retention Credit Receivable	(23,958)	-
Prepaid Expenses	(2,693)	994
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities	23,338	8,948
Accrued Interest Payable	3,118	-
	<u> </u>	<u> </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(17,450)</u>	<u>(127,962)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	<u>(4,107)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(4,107)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New Borrowings:		
Long-Term	<u>150,000</u>	<u>-</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>150,000</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	128,443	(127,962)
CASH AT BEGINNING OF YEAR	<u>538,510</u>	<u>666,472</u>
CASH AT END OF YEAR	<u><u>\$ 666,953</u></u>	<u><u>\$ 538,510</u></u>

Operating Activities Reflect No Interest or Income Tax Paid in 2020 and 2019

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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, 2020, 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, 2020 AND 2019

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, 2020 AND 2019

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, 2020 and 2019.

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, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Prepaid expenses primarily consist of prepaid insurance and a prepaid car lease that is amortized over the life of the lease.

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, 2020 and 2019 amounted to \$1,960 and \$1,413, 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, 2020 and 2019 amounted to \$24,800 and \$0, 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, 2020 and 2019 were \$13,268 and \$3,313, respectively.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Office Equipment	\$23,449	\$19,343
Leasehold Improvements	<u>44,447</u>	<u>44,447</u>
	67,896	63,790
Less: Accumulated Depreciation	<u>36,732</u>	<u>34,771</u>
Net Property and Equipment	<u>\$31,164</u>	<u>\$29,019</u>

NOTE 3 - LONG-TERM DEBT

Long-Term Debt consists of the following:

Note Payable – SBA Economic Injury Disaster Loan - payable in monthly installments of \$641 beginning July 2022, through July 2050 including Interest at 2.750% - secured by personal property \$ 150,000

Principal payments due on long-term debt for each of the five years subsequent to December 31, 2020 are as follow:

2021	\$ -
2022	-
2023	3,429
2024	3,524
2025	3,622
Thereafter	<u>139,425</u>
Total	<u>\$ 150,000</u>

The Small Business Administration (SBA) extended the deferment period for the COVID-19 Economic Injury Disaster Loan (EIDL) program until 2022. Interest continues to accrue during the deferment period. Accrued interest payable for the year ended December 31, 2020 amounted to \$3,118.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2019, there were no uninsured balances. At December 31, 2020, the Partnership's aggregate bank balances collateralized as follows:

Uncollateralized	\$163,869
Insured by the FDIC	503,006

NOTE 5 - LIQUIDITY

The Partnership has \$670,503 of financial assets available within one year of the balance sheet date consisting of cash of \$666,953 and accounts receivable of \$3,550. 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, 2020 and 2019 was \$6,720 and \$6,255, 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, 2020 and 2019 was \$8,270 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, 2020 and 2019 was \$34,965 and \$34,965, respectively.

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

2021	\$ 44,617
2022	40,491
2023	<u>23,940</u>
	<u>\$109,048</u>

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019 amounted to \$29,907 and \$26,319, respectively.

NOTE 8 - COVID-19 PANDEMIC

Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries were severely impacted for months as governments and their citizens took significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS

On January 27, 2021, the Orange County Partnership, Inc. applied for and was approved for a \$88,227 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1% but payments are not required to begin for 10 months after the end of an 8 or 24 week loan forgiveness covered period. Orange County Partnership, Inc. is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements during the covered period. The loan is uncollateralized and is fully guaranteed by the Federal government.

These financial statements have evaluated the subsequent events through May 25, 2021, the date which the financial statements were available to be issued.