

FINANCIAL STATEMENTS
ORANGE COUNTY PARTNERSHIP, INC.
DECEMBER 31, 2023 AND 2022

**ORANGE COUNTY PARTNERSHIP, INC.
DECEMBER 31, 2023 AND 2022**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to the Financial Statements	8-18

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, 2023 and 2022, 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, 2023 and 2022, 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 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 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

October 1, 2024

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

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 619,355	\$ 573,338
Accounts Receivable (Less Allowance for Credit Losses of \$25,250 and \$38,850)	68,780	40,482
Employee Retention Credit Receivable	-	5,850
Prepaid Expenses	15,622	6,387
Investments	<u>274,718</u>	<u>141,162</u>
Total Current Assets	<u>978,475</u>	<u>767,219</u>
PROPERTY AND EQUIPMENT		
Property and Equipment	80,692	80,692
Transportation Equipment	58,789	58,789
Less: Accumulated Depreciation	<u>77,935</u>	<u>61,657</u>
Net Property and Equipment	<u>61,546</u>	<u>77,824</u>
OPERATING LEASE RIGHT-OF-USE ASSET	<u>170,837</u>	<u>23,897</u>
Total Assets	<u>\$ 1,210,858</u>	<u>\$ 868,940</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 15,035	\$ 14,752
Current Portion of Operating Lease Liability	30,668	23,897
Accounts Payable and Accrued Liabilities	50,530	43,817
Deferred Revenue	<u>-</u>	<u>50</u>
Total Current Liabilities	<u>96,233</u>	<u>82,516</u>
LONG-TERM LIABILITIES		
Loan Payable (Net of Current Portion)	5,069	20,104
Operating Lease Liability (Net of Current Portion)	<u>140,169</u>	<u>-</u>
Total Long-Term Liabilities	<u>145,238</u>	<u>20,104</u>
Total Liabilities	<u>241,471</u>	<u>102,620</u>
NET ASSETS		
Net Assets Without Donor Restrictions	<u>969,387</u>	<u>766,320</u>
Total Net Assets	<u>969,387</u>	<u>766,320</u>
Total Liabilities and Net Assets	<u>\$ 1,210,858</u>	<u>\$ 868,940</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

	<u>2023</u>	<u>2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND OTHER SUPPORT		
Member Investments	\$ 758,405	\$ 616,990
Interest Income	4,393	270
Other Revenue	2,992	4,050
Recovery of Allowance for Doubtful Accounts	13,600	34,650
Event Income (Net of Expenses of \$178,771 and \$168,674)	315,950	283,416
Unrealized Gain (Loss) on Investment	28,511	(2,581)
Dividend Income	5,726	381
	<u>1,129,577</u>	<u>937,176</u>
EXPENSES		
Program Services	789,459	756,924
Management and General	137,051	119,728
	<u>926,510</u>	<u>876,652</u>
INCREASE (DECREASE) IN NET ASSETS	203,067	60,524
NET ASSETS AT BEGINNING OF YEAR	<u>766,320</u>	<u>705,796</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 969,387</u></u>	<u><u>\$ 766,320</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
EXPENSES			
Salaries	\$ 534,792	\$ 64,072	\$ 598,864
Employee Benefits	48,203	5,958	54,161
Payroll Taxes	35,645	4,406	40,051
Professional Fees	12,740	18,247	30,987
Contract Labor	14,275	-	14,275
Advertising and Promotion	14,848	4,949	19,797
Office Expense	17,162	5,721	22,883
Occupancy	26,933	8,977	35,910
Auto	7,526	1,328	8,854
Travel	12,469	2,200	14,669
Conferences and Meetings	12,318	4,106	16,424
Insurance	8,241	2,747	10,988
Business Development	1,281	-	1,281
Telephone	11,537	3,845	15,382
Repairs and Maintenance	13,835	4,612	18,447
Dues and Subscriptions	5,044	1,681	6,725
Interest Expense	401	133	534
Depreciation	12,209	4,069	16,278
TOTAL EXPENSES	<u>\$ 789,459</u>	<u>\$ 137,051</u>	<u>\$ 926,510</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
EXPENSES			
Salaries	\$ 532,968	\$ 59,590	\$ 592,558
Employee Benefits	45,342	5,070	50,412
Payroll Taxes	35,545	3,974	39,519
Professional Fees	5,799	15,233	21,032
Contract Labor	11,989	-	11,989
Advertising and Promotion	13,104	4,368	17,472
Office Expense	14,267	4,757	19,024
Occupancy	26,933	8,977	35,910
Auto	6,414	1,132	7,546
Travel	10,597	1,869	12,466
Conferences and Meetings	5,386	1,794	7,180
Insurance	2,419	807	3,226
Business Development	9,690	-	9,690
Telephone	9,874	3,292	13,166
Repairs and Maintenance	14,076	4,692	18,768
Dues and Subscriptions	1,303	434	1,737
Interest Expense	609	203	812
Depreciation	10,609	3,536	14,145
TOTAL EXPENSES	<u>\$ 756,924</u>	<u>\$ 119,728</u>	<u>\$ 876,652</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 203,067	\$ 60,524
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,278	14,145
Unrealized Loss (Gain) on Investments	(28,511)	2,581
Decrease (Increase) in Operating Assets		
Accounts Receivable	(28,298)	(18,437)
Employee Retention Credit Receivable	5,850	18,108
Prepaid Expenses	(9,235)	(1,290)
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities	6,713	6,602
Deferred Revenue	(50)	-
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>165,814</u>	 <u>82,233</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(105,045)	(143,742)
Purchase of Equipment	-	(12,796)
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>(105,045)</u>	 <u>(156,538)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
New Borrowings:		
Long-Term	-	-
Debt Reduction:		
Long-Term	(14,752)	(14,475)
 NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	 <u>(14,752)</u>	 <u>(14,475)</u>
 NET INCREASE (DECREASE) IN CASH	 46,017	 (88,780)
 CASH AT BEGINNING OF YEAR	 <u>573,338</u>	 <u>662,118</u>
 CASH AT END OF YEAR	 <u>\$ 619,355</u>	 <u>\$ 573,338</u>
 NON-CASH INVESTING ACTIVITIES		
Additions to Right of Use Assets Obtained From:		
New Operating Lease Liabilities	\$ 170,837	\$ 23,897
 SUPPLEMENTAL DISCLOSURES		
Operating Activities Reflect:		
Interest Paid	\$ 534	\$ 812

Operating Activities reflect no income tax paid during 2023 or 2022.

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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, 2023, the Partnership’s federal and state informational tax exempt filings generally remained open for the last three years.

Revenue Recognition

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, 2023 AND 2022

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 from 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.

Sources of Support

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

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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.

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, 2023 and 2022.

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, 2023 and 2022 amounted to \$0 and \$50, respectively.

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.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated net of an allowance for doubtful accounts. At each balance sheet date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Organization's receivables older than 90 days and past performance. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes the review of all receivables older than 90 days and past performance is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segment has remained constant since the Organization's inception.

Investments

Investments are carried at fair value. As defined by US GAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect the Organization's statement of financial position.

Prepaid Expenses

Prepaid expenses primarily consist of prepaid insurance.

Leases

The Organization leases its primary office space in an operating lease arrangement and has not identified any additional operating or financing lease arrangements as of the date these financial statements are available to be issued.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our statements of financial position. The expenses associated with an operating lease are recognized on a straight-line basis over the term of the lease and the expenses associated with a finance lease are recognized as a combination of the amortization of the ROU assets and an interest expense based on the outstanding lease liabilities, calculated using the effective interest rate method.

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization has elected to use the federal risk-free rate as the discount rate to determine the present value of lease payments as a practical expediate, since the Organization carries little to no debt and its lease arrangements do not provide an implicit rate. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

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, 2023 and 2022 amounted to \$16,278 and \$14,145, respectively.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023 and 2022 were \$19,797 and \$17,472, respectively.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLES

New Accounting Standards

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

NOTE 3 - CURRENT EXPECTED CREDIT LOSSES (CECL)

Change in the allowance for credit losses during the year were as follows:

	<u>2023</u>
Balance, Beginning of Year	\$ 38,850
Adoption of CECL	-
Bad Debt Expense	-
Write-Offs	<u>(13,600)</u>
Balance, End of Year	<u>\$ 25,250</u>

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Office Equipment	\$ 23,449	\$ 23,449
Leasehold Improvements	57,243	57,243
Automobiles	<u>58,789</u>	<u>58,789</u>
	139,481	139,481
Less: Accumulated Depreciation	<u>77,935</u>	<u>61,657</u>
Net Property and Equipment	<u>\$ 61,546</u>	<u>\$ 77,824</u>

NOTE 5 - FAIR VALUE MEASUREMENTS

Investments, consisting of exchange traded funds and fixed income, are stated at fair value based on quoted prices in active markets (all Level 1 measurements), and are summarized as follows, at December 31, 2023 and 2022:

Investments at Fair Value as of December 31, 2023, are as follows:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds	\$ 201,311	\$ -	\$ -	\$ 201,311
Fixed Income	<u>73,407</u>	<u>-</u>	<u>-</u>	<u>73,407</u>
Total Investments at Fair Value	<u>\$ 274,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,718</u>

Investments at Fair Value as of December 31, 2022, are as follows:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds	\$ 68,440	\$ -	\$ -	\$ 68,440
Fixed Income	<u>72,722</u>	<u>-</u>	<u>-</u>	<u>72,722</u>
Total Investments at Fair Value	<u>\$ 141,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,162</u>

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant and observable inputs and minimize the use of unobservable inputs.

NOTE 6 - 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 1.9% - secured by a vehicle \$ 20,104

Principal payments due on long-term debt for each of the three years subsequent to December 31, 2023 are as follow:

2024	\$ 15,035
2025	<u>5,069</u>
Total	<u>\$ 20,104</u>

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7- 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, 2023, the Partnership's aggregate bank balances were collateralized as follows:

Uncollateralized	\$ 5,604
Insured by the FDIC	613,751

NOTE 8 - LIQUIDITY

The Partnership has \$688,135 of financial assets available within one year of the balance sheet date consisting of cash of \$619,355 and accounts receivable of \$68,780. 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 9 - LEASES

The Partnership has an operating lease for its office space in Goshen, New York. The Partnership originally entered into a 60 month lease agreement in September 2018. This lease was renewed in December 2023 for an additional 60 months. The Organization does not have any finance leases.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31, 2023.

Operating Leases:	<u>2023</u>	<u>2022</u>
Operating Lease Right-of-Use Assets	\$ 170,837	\$ 23,897
Operating Lease Liabilities	\$ 170,837	\$ 23,897
 Weighted Average Remaining Lease Term:	 <u>2023</u>	 <u>2022</u>
Operating Leases	60 Months	8 Months
 Weighted Average Discount Rate:	 <u>2023</u>	 <u>2022</u>
Operating Leases	3.84%	0.62%

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 9 - LEASES (Continued)

As most of the leases do not provide an implicit rate, the Organization uses the treasury rate based on the information available at the commencement date in determining the present value of the lease payments.

The maturities of the operating lease liabilities as of December 31, 2023 were as follows:

For the Twelve Months Ended:

December 31, 2024	\$ 37,523
December 31, 2025	37,523
December 31, 2026	37,523
December 31, 2027	37,523
December 31, 2028	37,524
 Less: Interest	 <u>16,779</u>
 Present Value of Lease Liabilities	 <u>\$ 170,837</u>

The following summarizes the line items in the statement of functional expenses which include the components of lease expense for the year ended December 31, 2023:

Operating Lease Expense included in Functional Expenses	\$ 35,910
---	-----------

NOTE 10 - 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, 2023 and 2022 amounted to \$27,248 and \$32,384, respectively.

NOTE 11 - LITIGATION

The Partnership is in litigation with the New York State Authorities Budget Office, which considers the Partnership a local authority under the Public Authorities Law. In April 2024, the Appellate Division, Second Department reversed the 2019 ruling of the Supreme Court of the State of New York, Orange County, which had held that the Partnership is not a local authority subject to the Authorities Budget Office's jurisdiction, and remitted the matter to the Orange County Supreme Court for entry of an amended order and judgment. The Partnership retained counsel to move for permission to appeal this ruling to the New York State Court of Appeals. The New York State Court of Appeals has not yet decided whether it will hear the case.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 - LITIGATION (*Continued*)

On September 6, 2024, the Supreme Court of the State of New York, Orange County ordered, adjudged and decreed that the Orange County Partnership, Inc. is a local authority within the meaning of Public Authorities Law Section 2(2)(b).

NOTE 12 - EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 1, 2024, 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.