ORANGE COUNTY PARTNERSHIP, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

ORANGE COUNTY PARTNERSHIP, INC.
DECEMBER 31, 2017 AND 2016

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Waschitz Pavloff
CPA • LLP
Members of American Institute of Certified Public Accountants and
New York State Society of Certified Public Accountants

Michael Waschitz, CPA
Andrew J. Pavloff, CPA, CGMA

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, 2017 and 2016, and the related statements of activities 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.

www.wpcpany.com Phone (845) 794-2200
14 Sturgis Road, PO Box 871, Monticello, New York 12701 Fax (845) 794-5628
Westgate Office Park, 3 Hatfield Lane, Suite 2C, Goshen, New York 10924 Fax (845) 360-5352

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, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 6 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Waschitz Pawloff CPA LLP

Monticello, New York

June 29, 2018

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

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 622,001	$ 542,754
Accounts Receivable	131,174	92,925
Prepaid Expenses	4,036	9,470
Total Current Assets	757,211	645,149
PROPERTY AND EQUIPMENT		
Property and Equipment	63,790	63,790
Less: Accumulated Depreciation	31,150	28,422
Net Property and Equipment	32,640	35,368
Total Assets	$ 789,851	$ 680,517
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 34,813	$ 34,496
Total Current Liabilities	34,813	34,496
NET ASSETS		
Unrestricted	755,038	646,021
Total Net Assets	755,038	646,021
Total Liabilities and Net Assets	$ 789,851	$ 680,517

ORANGE COUNTY PARTNERSHIP, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
UNRESTRICTED NET ASSETS		
UNRESTRICTED REVENUE AND OTHER SUPPORT		
Contract Services:		
County of Orange	$ 153,000	$ 153,000
Orange County Industrial Development Agency	217,000	217,000
Member Investments	296,800	284,948
Interest Income	2,260	2,283
Other Revenue	14,055	75,465
Event Income (Net of Expenses of $145,679 and $129,201)	295,943	160,288
Total Unrestricted Revenue and Other Support	979,058	892,984
EXPENSES		
Program Services	750,053	776,969
Management and General	119,988	111,118
Total Expenses	870,041	888,087
INCREASE (DECREASE) IN NET ASSETS	109,017	4,897
NET ASSETS AT BEGINNING OF YEAR	646,021	641,124
NET ASSETS AT END OF YEAR	$ 755,038	$ 646,021

ORANGE COUNTY PARTNERSHIP, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 109,017	$ 4,897
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,729	2,766
Decrease (Increase) in Operating Assets		
Accounts Receivable	(38,249)	1,530
Prepaid Expenses	5,433	2,675
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities	317	7,545
Deferred Revenue	-	(1,650)
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	79,247	17,763
NET INCREASE (DECREASE) IN CASH	79,247	17,763
CASH AT BEGINNING OF YEAR	542,754	524,991
CASH AT END OF YEAR	$ 622,001	$ 542,754

Operating Activities reflect no interest paid or income tax paid during 2017 or 2016.

ORANGE COUNTY PARTNERSHIP, INC.
SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31,

			2017	2016
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL EXPENSES	TOTAL EXPENSES
EXPENSES				
Salaries	$ 495,245	$ 59,497	$ 554,742	$ 520,853
Employee Benefits	53,577	6,437	60,014	54,636
Payroll Taxes	32,633	3,921	36,554	36,809
Professional Fees	7,740	14,080	21,820	18,229
Contract Labor	13,450	-	13,450	13,954
Advertising and Promotion	7,935	2,645	10,580	8,806
Office Expense	19,543	6,515	26,058	22,536
Occupancy	25,516	8,504	34,020	34,020
Auto	14,478	2,556	17,034	16,946
Travel	11,516	2,031	13,547	13,553
Conferences and Meetings	9,674	3,222	12,896	22,275
Insurance	5,821	1,941	7,762	9,157
Business Development	27,011	-	27,011	83,861
Telephone	9,270	3,090	12,360	16,183
Repairs and Maintenance	9,506	3,169	12,675	10,305
Dues and Subscriptions	5,092	1,697	6,789	3,198
Depreciation	2,047	682	2,729	2,766
TOTAL EXPENSES	$ 750,053	$ 119,988	$ 870,041	$ 888,087

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 Economic Development Corporation 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, 2017 and 2016, 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, 2017, the Partnership's federal and state informational tax exempt filings generally remained open for the last three years.

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 three classes of net assets: Unrestricted Net Assets, Temporarily Restricted Net Assets and Permanently Restricted Net Assets. A description of the three net asset categories follows:

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

Unrestricted Net Assets – Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets 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.

Temporarily Restricted Net Assets – Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period.

Permanently Restricted Net Assets – Permanently restricted net assets are resources whose use by the Partnership is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. 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.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to both program and support functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort.

Sources of Support

The Partnership generates support in the form of contracts for service from government and governmental agencies, memberships and sponsorships from regional commercial entities and through hosting of business networking events.

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

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, 2017 and 2016.

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

The Partnership considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

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, 2017 and 2016 amounted to $2,729 and $2,766, 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. There was no deferred revenue at December 31, 2017 and 2016.

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, 2017 and 2016 were $10,580 and $8,806, respectively.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2017	2016
Office Equipment	$19,343	$19,343
Leasehold Improvements	44,447	44,447
	63,790	63,790
Less: Accumulated Depreciation	31,150	28,422
Net Property and Equipment	$32,640	$35,368

NOTE 3 - CONCENTRATION OF RISK

Concentration of Revenue Sources

The Organization received approximately 38% in 2017 and 41% in 2016 of its total support and revenue from the New York State County of Orange and the Orange County Industrial Development Agency.

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, 2017 and 2016, there were no uninsured balances.

NOTE 4 - GOVERNMENTAL CONTRACT SERVICES REVENUE RECEIVED

The Partnership provides its services to The County of Orange and Orange County Industrial Development Agency (IDA). Revenue received consisted of the following:

	2017	2016
County of Orange	$153,000	$153,000
Orange County IDA	217,000	217,000
Total	$370,000	$370,000

NOTE 5 - LEASES

The Partnership entered into a lease agreement for office equipment in March 2013 for a term of 39 months with monthly payments of $384. This lease was renewed in March 2016 for a term of 39 months with monthly payments of $422. Equipment lease expense for the years ended December 31, 2017 and 2016 was $5,624 and $5,468, 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 2015 for a term of 36 months with monthly payments of $489. Vehicle lease expense for the years ended December 31, 2017 and 2016 was $5,868 each year.

The Partnership leases office space in Goshen, New York and entered into a 60 month lease agreement in September 2013. Occupancy expense related to this lease for the years ended December 31, 2017 and 2016 was $34,020 each year.

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

2018	$ 30,187
2019	2,532
	$ 32,719

NOTE 6 - 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, 2017 and 2016 amounted to $32,558 and $28,792, respectively.

NOTE 7 - SUBSEQUENT EVENTS

Starting in 2018, the Partnership will no longer provide services to the County of Orange and the Orange County Industrial Development Agency (IDA).

These financial statements have evaluated the subsequent events through June 29, 2018, the date which the financial statements were available to be issued.