

FINANCIAL STATEMENTS

ORANGE COUNTY PARTNERSHIP, INC.

DECEMBER 31, 2025

**ORANGE COUNTY PARTNERSHIP, INC.
DECEMBER 31, 2025**

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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 statement of financial position as of December 31, 2025, and the related statement of activities, functional expenses, and cash flow for the year 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, 2025, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in government auditing standards, issued by the Comptroller General of the United States. 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2026 on our consideration of the Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Partnership's internal control over financial reporting and compliance.

Other Reporting Required by New York State Public Authorities Law

In accordance with New York State Public Authorities Law, we have also issued our report dated February 12, 2026 on our consideration of the Partnership's compliance with §2925(3)(f) of the New York State Public Authorities Law. The purpose of that report is to describe anything that came to our attention that caused us to believe Partnership failed to comply with the Organization's Investment Guidelines, the New York State Comptroller's Investment Guidelines, and §2925(3)(f) of the New York State Public Authorities Law.

Waschitz Pauloff CPA LLP

Monticello, New York

February 12, 2026

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

	<u>2025</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 598,985
Accounts Receivable (Less Allowance for Credit	
Losses of \$3,250)	49,767
Prepaid Expenses	28,988
Investments	<u>109,993</u>
Total Current Assets	<u>787,733</u>
PROPERTY AND EQUIPMENT	
Property and Equipment	80,692
Less: Accumulated Depreciation	<u>53,820</u>
Net Property and Equipment	<u>26,872</u>
OPERATING LEASE RIGHT-OF-USE ASSET	<u>130,080</u>
Total Assets	<u><u>\$ 944,685</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Current Portion of Operating Lease Liability	\$ 42,206
Accounts Payable and Accrued Liabilities	41,760
Deferred Revenue	<u>25,025</u>
Total Current Liabilities	<u>108,991</u>
LONG-TERM LIABILITIES	
Operating Lease Liability (Net of Current Portion)	<u>86,793</u>
Total Long-Term Liabilities	<u>86,793</u>
Total Liabilities	<u>195,784</u>
NET ASSETS	
Net Assets Without Donor Restrictions	<u>748,901</u>
Total Net Assets	<u>748,901</u>
Total Liabilities and Net Assets	<u><u>\$ 944,685</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31,

	<u>2025</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	
REVENUE AND OTHER SUPPORT	
Member Investments	\$ 898,457
Interest Income	248
Event Income (Net of Expenses of \$282,745)	325,030
Unrealized Gain (Loss) on Investment	2,281
Dividend Income	<u>11,765</u>
Total Revenue and Other Support	<u>1,237,781</u>
EXPENSES	
Program Services	851,901
Management and General	<u>205,544</u>
Total Expenses	<u>1,057,445</u>
INCREASE (DECREASE) IN NET ASSETS	180,336
NET ASSETS AT BEGINNING OF YEAR	<u>568,565</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 748,901</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
EXPENSES			
Salaries	\$ 568,891	\$ 77,022	\$ 645,912
Employee Benefits	42,169	5,750	47,919
Payroll Taxes	44,400	6,054	50,454
Professional Fees	33,831	54,331	88,162
Contract Labor	7,233	7,232	14,465
Advertising and Promotion	17,159	5,719	22,878
Office Expense	18,863	6,288	25,151
Occupancy	27,911	9,303	37,214
Auto	5,461	964	6,425
Travel	18,573	3,278	21,851
Conferences and Meetings	12,650	4,217	16,867
Insurance	7,327	2,442	9,769
Business Development	2,289	-	2,289
Telephone	8,084	2,695	10,779
Repairs and Maintenance	17,033	5,677	22,710
Dues and Subscriptions	10,065	3,355	13,420
Interest Expense	20	6	26
Bad Debt Expense	2,758	-	2,758
Loss on Disposal	-	8,817	8,817
Depreciation	7,184	2,394	9,578
	<u>7,184</u>	<u>2,394</u>	<u>9,578</u>
TOTAL EXPENSES	<u>\$ 851,901</u>	<u>\$ 205,544</u>	<u>\$ 1,057,444</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 180,336
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	9,578
Loss (Gain) on Disposal	8,817
Unrealized Loss (Gain) on Investments	(2,281)
Decrease (Increase) in Operating Assets	
Accounts Receivable	(23,567)
Prepaid Expenses	(20,992)
Increase (Decrease) in Operating Liabilities	
Accounts Payable and Accrued Liabilities	(2,789)
Deferred Revenue	<u>25,025</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>174,127</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	45,531
Purchase of Investments	<u>(48,332)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,801)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Debt Reduction:	
Long-Term	<u>(5,069)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(5,069)</u>
NET INCREASE (DECREASE) IN CASH	166,257
CASH AT BEGINNING OF YEAR	<u>432,728</u>
CASH AT END OF YEAR	<u><u>\$ 598,985</u></u>
NON-CASH INVESTING ACTIVITIES	
Additions to Right of Use Assets Obtained From:	
New Operating Lease Liabilities	\$ 24,422
SUPPLEMENTAL DISCLOSURES	
Operating Activities Reflect:	
Interest Paid	\$ 26

Operating Activities reflect no income tax paid during 2025

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

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.

On September 6, 2024, the Partnership was declared a New York State Local Authority within the meaning of Public Authorities Law Section 2(2)(b).

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, 2025, 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, 2025, 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, 2025

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 Partnership'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, 2025

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 year ended December 31, 2025.

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.

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, 2025

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 Partnership 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. Management estimates expected credit losses using the practical expedient permitted under ASC 326-20, which considers historical loss experience, current conditions, and reasonable and supportable forecasts. The Partnership 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 Partnership's portfolio segment has remained constant since the Partnership's inception.

Beginning accounts receivable for the year ended December 31, 2025 was \$26,200, net of \$492 in allowance for credit losses and the ending balance for the year then ended was \$49,767, net of \$3,250 in allowance for credit losses.

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 Partnership 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 Partnership's statement of financial position.

Prepaid Expenses

Prepaid expenses primarily consist of prepaid insurance and prepaid event expenses.

Deferred Revenue

Deferred revenue is recorded for funds received during the current fiscal year but not yet earned. Deferred revenue includes pre-payments of sponsorships for events that have not occurred as of December 31. Deferred revenue for the year ended December 31, 2025 was \$25,025.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Partnership leases its primary office space and a vehicle 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.

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 Partnership's right to use an underlying asset for the lease term, and lease liabilities represent the Partnership'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 Partnership 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 Partnership carries little to no debt and its lease arrangements do not provide an implicit rate. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Partnership'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

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation expense for the year ended December 31, 2025 amounted to \$9,578.

Advertising Costs

The Partnership expenses the costs of advertising and promotions over the period the advertising is in effect. Advertising expenses for the year ended December 31, 2025 was \$22,878.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLES

New Accounting Standards

Effective January 1, 2025, the Partnership adopted the practical expedient provided in ASU No. 2025-05, which allows the Partnership to assume that current conditions as of the balance sheet date remain unchanged throughout the remaining life of current accounts receivable and current contract assets arising from revenue transactions under Topic 606. The Partnership has also elected the related accounting policy election, which allows consideration of subsequent collection activity through February 12, 2026 in estimating expected credit losses for these assets. These elections are disclosed in accordance with FASB ASC 326-20-50-12A and 50-12B.

NOTE 3 - CURRENT EXPECTED CREDIT LOSSES (CECL)

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

	<u>2025</u>
Balance, Beginning of Year	\$ 492
Recovery of Allowance	-
Write-Offs	<u>2,758</u>
Balance, End of Year	<u><u>\$ 3,250</u></u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2025</u>
Office Equipment	\$ 23,449
Leasehold Improvements	<u>57,243</u>
	80,692
Less: Accumulated Depreciation	<u>53,820</u>
Net Property and Equipment	<u><u>\$ 26,872</u></u>

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 - PROPERTY AND EQUIPMENT (*Continued*)

The Partnership disposed of a vehicle during the year ended December 31, 2025. The loss on disposal amounted to \$8,817.

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, 2025:

Investments at Fair Value as of December 31, 2025, are as follows:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds	\$ 35,732	\$ -	\$ -	\$ 35,732
Fixed Income	<u>74,261</u>	<u>-</u>	<u>-</u>	<u>74,261</u>
Total Investments at Fair Value	<u>\$ 109,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,993</u>

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 Partnership 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.

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 - 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, 2025, the Partnership's aggregate bank balances were collateralized as follows:

Insured by the FDIC	\$ 588,105
Uncollateralized	12,488

NOTE 7 - LIQUIDITY

The Partnership has \$648,752 of financial assets available within one year of the balance sheet date consisting of cash of \$598,985 and accounts receivable of \$49,767. 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 8 - 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 Partnership has an operating lease for an automobile for 36 months with monthly payments of \$756.59. The lease began in August 2025 and ends in July 2028.

The Partnership 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, 2025.

Operating Leases:	<u>2025</u>
Operating Lease Right-of-Use Assets	\$ 130,080
Operating Lease Liabilities	\$ 128,999
Weighted Average Remaining Lease Term:	<u>2025</u>
Operating Leases	2.9 Years

ORANGE COUNTY PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 – LEASES (*Continued*)

Weighted Average Discount Rate: 2025

Operating Leases 4.17%

As most of the leases do not provide an implicit rate, the Partnership 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, 2025 were as follows:

For the Twelve Months Ended:

December 31, 2026	\$ 42,206
December 31, 2027	46,602
December 31, 2028	42,063

Less: Interest	<u>1,872</u>
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Present Value of Lease Liabilities	<u><u>\$ 128,999</u></u>
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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, 2025:

Operating Lease Expense included in Functional Expenses	\$ 39,101
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NOTE 9 - 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, 2025 amounted to \$30,142.

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 12, 2026, 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.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Orange County Partnership, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Waschitz Pauloff CPA LLP

Monticello, New York

February 12, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH §2925 (3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Orange County Partnership, Inc. (a nonprofit organization), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Organization's financial statements, and have issued our opinion there on February 12, 2026.

Our audit found that Orange County Partnership, Inc.'s investment policy was in compliance with the requirements of §2925 of the New York State Public Authorities Law (collectively, Investment Guidelines).

This communication is intended solely for the information and use of the Board of Directors and management of the Orange County Partnership, Inc. and the Office of the Comptroller of the State of New York and is not intended to be, and should not be, used by anyone other than these specified parties.

Waschitz Pavloff CPA LLP

Monticello, New York

February 12, 2026

ORANGE COUNTY PARTNERSHIP, INC.
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2025

Section I – Summary of Audit Results

- 1) The auditors' report expresses an unmodified opinion on the financial statements of the Orange County Partnership, Inc. ("Partnership")
- 2) There were no significant deficiencies in internal control reported in relation to the audit of the financial statements in the Report on Internal Controls over Financial Reporting.
- 3) The Partnership's investment policy was in compliance with the requirements of §2925 of the New York State Public Authorities Law (collectively, Investment Guidelines).

Section II – Financial Statement Findings

A. Internal Control Over Financing Reporting

- There were no findings related to internal control over financial reporting noted for the year ending December 31, 2025.

B. Compliance and Other Matters

- There were no findings related compliance and other matters noted for the year ending December 31, 2025.

Section III – Summary of Prior Audit Findings

Finding Reference Number: 2024 - 1

Status: Corrected

Corrective Action Taken: The Partnership updated the investment policy to comply with §2925 of the New York State Public Authorities Law