

THE OLANA PARTNERSHIP

Financial Statements
(and Independent Audit Report)

As of and for the year ended December 31, 2025

THE OLANA PARTNERSHIP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Olana Partnership:

Opinion

We have audited the financial statements of The Olana Partnership (the "Organization") (a not-for-profit 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Olana Partnership as of December 31, 2025, and the changes 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Olana Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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 The Olana Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

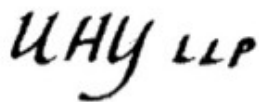
Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 GAAS 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 GAAS, 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 The Olana Partnership'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 The Olana Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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.

The image shows a handwritten signature in black ink. The letters 'UHY' are written in a large, stylized, cursive font, and 'LLP' is written in a smaller, simpler font to the right of 'UHY'.

Hudson, New York
August 5, 2026

THE OLANA PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
December 31, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	528,942
Investments		875,820
Contributions receivable		179,664
Inventory		159,354
Prepaid expenses		173,564
Total current assets		<u>1,917,344</u>

OTHER ASSETS

Cash and cash equivalents - restricted to capital projects		831,725
Cash and cash equivalents - restricted to investment in endowment		55,107
Cash and cash equivalents - restricted to investment in board designated		23,667
Investments - restricted for endowment		3,016,410
Investments - restricted to capital projects		1,520,000
Investments - board designated		404,143
Contributions receivable, net of a \$5,856 discount - unrestricted long-term		8,970
Contributions receivable, net of a \$33,051 discount - restricted to capital projects		819,690
Contributions receivable, net of a \$50,994 discount - restricted to endowment		549,006
Property and equipment, net		8,176,205
Information technology (IT) infrastructure, net		30,300
Right-of-use asset		149,302
Total other assets		<u>15,584,525</u>
Total assets	\$	<u>17,501,869</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	112,433
Accrued expenses		96,464
Payable to the NYS Office of Parks, Recreation and Historic Preservation (OPRHP)		1,400,000
Lease liability		5,216
Total current liabilities		<u>1,614,113</u>

OTHER LIABILITIES

Lease liability, net of current portion		144,086
Total other liabilities		<u>144,086</u>
Total liabilities		<u>1,758,199</u>

NET ASSETS

Without donor restrictions		8,212,519
With donor restrictions		7,531,151
Total net assets		<u>15,743,670</u>
Total liabilities and net assets	\$	<u>17,501,869</u>

See notes to financial statements.

THE OLANA PARTNERSHIP
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
REVENUE AND OTHER SUPPORT			
Membership dues	\$ 100,795	\$ -	\$ 100,795
Contributions and grants, net of discount on pledges	1,274,217	245,511	1,519,728
Donated services	69,707	-	69,707
Donated goods	2,056	-	2,056
Donated rent	14,400	-	14,400
Bookstore and gift shop sales, net of direct expenses of \$177,199	194,509	-	194,509
Admissions	684,261	-	684,261
Program service fees	49,420	-	49,420
Subtotal	2,389,365	245,511	2,634,876
Special events:			
Contributions	1,051,987	-	1,051,987
Special events revenue	101,650	-	101,650
Costs of direct benefit to donors	(213,863)	-	(213,863)
Net special events revenue	939,774	-	939,774
Other income	5,556	-	5,556
Net assets released from restrictions	311,738	(311,738)	-
Total revenue and other support	3,646,433	(66,227)	3,580,206
EXPENSES			
Program services:			
Collections and Exhibitions	792,665	-	792,665
Education and Public	583,488	-	583,488
Landscape / Viewshed	45,773	-	45,773
Capital Development	30,287	-	30,287
Visitor Services	971,755	-	971,755
Museum Store	216,440	-	216,440
Total program services	2,640,408	-	2,640,408
Management and general	803,505	-	803,505
Fundraising	595,425	-	595,425
Total operating expenses	4,039,338	-	4,039,338
Change in net assets from operating activities	(392,905)	(66,227)	(459,132)
NON-OPERATING ACTIVITIES			
Interest income	1,191	10,515	11,706
Investment return, net	277,241	45,504	322,745
Bad debt expense	(3,943)	-	(3,943)
Net assets released from restrictions	685,605	(685,605)	-
Change in net assets from non-operating activities	960,094	(629,586)	330,508
CHANGE IN NET ASSETS	567,189	(695,813)	(128,624)
NET ASSETS, Beginning of year	7,645,330	8,226,964	15,872,294
NET ASSETS, End of year	\$ 8,212,519	\$ 7,531,151	\$ 15,743,670

See notes to financial statements.

THE OLANA PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2025

	Collections and Exhibitions	Education and Public	Landscape / Viewshed	Capital Development	Visitor Services	Olana Shop	Total Program	Management and General	Fund-Raising	Total
Salaries and wages	\$ 209,954	\$ 181,365	\$ 16,723	\$ 12,416	\$ 548,803	\$ 152,127	\$ 1,121,388	\$ 308,181	\$ 332,986	\$ 1,762,555
Employee benefits	23,564	28,706	2,665	2,005	20,154	11,261	88,355	29,187	36,674	154,216
Payroll taxes	16,394	14,763	1,140	857	47,633	14,891	95,678	22,249	26,266	144,193
Donor cultivation	777	-	-	-	-	-	777	-	8,767	9,544
Public relations and marketing	5,636	814	-	-	599	245	7,294	53	147,760	155,107
Consultants / contracted services	302,908	78,761	-	14,653	-	-	396,322	77,228	-	473,550
Supplies, office and printing	224,370	14,109	-	66	50,299	21,212	310,056	30,618	24,921	365,595
Occupancy / utilities	-	10,153	24,977	-	95	-	35,225	28,256	-	63,481
Information technology	1,115	1,741	-	-	27,002	9,091	38,949	49,534	5,417	93,900
Insurance	3,466	2,912	268	199	8,811	2,442	18,098	4,948	5,346	28,392
Travel	1,684	2,407	-	91	231	3,335	7,748	4,654	3,448	15,850
Professional fees - legal - in-kind	-	-	-	-	-	-	-	91,121	-	91,121
Professional fees - accounting	-	-	-	-	-	-	-	97,016	-	97,016
Professional fees - investment management	-	-	-	-	-	-	-	18,997	-	18,997
Depreciation	1,571	240,444	-	-	268,061	1,337	511,413	10,148	950	522,511
Other expenses	1,226	7,313	-	-	67	499	9,105	31,315	2,890	43,310
Subtotal	<u>792,665</u>	<u>583,488</u>	<u>45,773</u>	<u>30,287</u>	<u>971,755</u>	<u>216,440</u>	<u>2,640,408</u>	<u>803,505</u>	<u>595,425</u>	<u>4,039,338</u>
Cost of goods sold	-	-	-	-	-	177,199	177,199	-	-	177,199
Bad debt	-	-	-	-	-	-	-	3,943	-	3,943
Special events - cost of direct benefit to donors:										
Video and production	-	-	-	-	-	-	-	-	63,729	63,729
Awards	-	-	-	-	-	-	-	-	934	934
Venue and food	-	-	-	-	-	-	-	-	144,404	144,404
Travel	-	-	-	-	-	-	-	-	4,796	4,796
Total direct cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,863</u>	<u>213,863</u>
Total expenses	<u>\$ 792,665</u>	<u>\$ 583,488</u>	<u>\$ 45,773</u>	<u>\$ 30,287</u>	<u>\$ 971,755</u>	<u>\$ 393,639</u>	<u>\$ 2,817,607</u>	<u>\$ 807,448</u>	<u>\$ 809,288</u>	<u>\$ 4,434,343</u>

See notes to financial statements.

THE OLANA PARTNERSHIP
STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (128,624)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	522,511
Bad debt provision	3,943
Gain on sale of marketable securities	(11,706)
Contributions and grants for capital projects and endowments	(719,376)
Unrealized gain on marketable securities	(322,745)
Decrease (increase) in contributions receivable	762,109
Decrease in inventory	18,428
Increase in prepaid expenses	(120,254)
Increase in accounts payable	10,753
Increase in accrued expenses	3,956
Total adjustments	147,619
Net cash provided by operating activities	18,995

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(364,414)
Sales of investments	8,734,935
Purchases of investments	(9,340,402)
Net cash used for investing activities	(969,881)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of NYS OPRHP payable	(500,000)
Contributions and grants for capital projects	719,376
Net cash provided by financing activities	219,376

NET DECREASE IN CASH AND CASH EQUIVALENTS (731,510)

CASH AND CASH EQUIVALENTS, Beginning of year 2,170,951

CASH AND CASH EQUIVALENTS, End of year \$ 1,439,441

RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 528,942
Cash and cash equivalents - restricted to capital projects	831,725
Cash and cash equivalents - restricted to investment in endowment	55,107
Cash and cash equivalents - restricted to investment in board designated	23,667
	\$ 1,439,441

NON-CASH ACTIVITY DISCLOSURE

Donated investments	\$ 225,189
Donated goods	\$ 2,056

See notes to financial statements.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF OPERATIONS

The Olana Partnership (the “Organization”) is a not-for-profit organization based in Hudson, New York, that encourages public appreciation of, acts as an advocate for, and provides supplementary support for the preservation and interpretation of Olana, the home of one of America’s premier landscape artists, Frederic Edwin Church. Olana is a National Historic Landmark and is a New York State Historic Site administered by the New York State Office of Parks, Recreation and Historic Preservation (NYS OPRHP).

Program activities are comprised of:

- *Collections and Exhibitions* – The Organization is responsible for curatorial and collections management for Olana State Historic Site’s wide-ranging collections, numbering more than 40,000 items, including archival materials, books, fine and decorative arts, as well as Olana’s historic architecture and 250-acre historic landscape. The Organization also organizes annual special exhibitions with the goals of furthering research, conservation and awareness of Olana’s collections and making connections with other collections nationally and internationally. The Organization also oversees all research requests and loan requests. All this work is done in close collaboration with the New York State Bureau of Historic Sites.
- *Education and Public* – The Organization is responsible for all educational and public programs at Olana State Historic Site. These include K-12 school field trips and related activities both at Olana and within the community, as well as tours and programs for college level groups. A wide variety of public programs are offered year-round both for a fee and free of charge.
- *Landscape / Viewshed* – The Organization works to restore and maintain Olana State Historic Site’s 250-acre historic landscape and its integral viewshed in collaboration with the NYS OPRHP. This is an ongoing project, and the Organization’s viewshed work involves collaboration with a broad range of statewide and regional non-profits, particularly Scenic Hudson, and government entities.
- *Capital Development* – The Organization works hand-in-hand with the NYS OPRHP to plan, develop, fund and implement major capital development projects at Olana State Historic Site. Projects are planned and developed collaboratively. The Organization provides funding from a range of public and private grants and individual, private contributions. Projects are implemented jointly, with the majority of construction work managed by Parks. In 2021, the Organization initiated conceptual designs for a new visitor center and entry, currently referred to as the Frederic Church Center. Construction on the center began in early 2023 and concluded in October 2024.
- *Visitor Services* – The Organization is responsible for interpreting Olana State Historic Site and its collections for all visitors and for ensuring, to the best of its ability, the safety and comfort of visitors. To this end, the Organization offers a variety of regularly scheduled public tours throughout the year with trained interpretive staff. It also employs and trains staff to assist visitors with orientation, wayfinding, ticketing, and parking. By the terms of the operating agreement with NYS OPRHP, the Organization must have a visitor services manager on site during all public tour hours.
- *Olana Shop* – The Organization operates the Olana Shop at Olana State Historic Site with the goal of providing visitors with a full range of merchandise that enables them to further their learning about Olana, Frederic Church and American art and landscape as well as continue their connection with the site through the purchase of souvenirs and decorative objects and clothing items. The Olana Shop also offers food and drink for purchase through its affiliation with the Taste NY program of the New York State Department of Agriculture, which promotes products made or distributed by New York State businesses.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles in the United States of America (GAAP).

Financial Statement Presentation

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *“Not-for-Profit Entities”* (ASC 958).

Under the provisions of ASC 958, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Endowment earnings are restricted until “appropriated by expenditure” by the Organization’s board.

Expenses are presented as decreases in net assets without donor restrictions when incurred.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are considered highly liquid investments with maturities of three months or less at the time of acquisition. US treasury bills with a maturity of less than three months are considered cash and cash equivalents.

Restricted Cash and Cash Equivalents

Cash and cash equivalents with donor-imposed restrictions for the purpose of acquisitions of fixed assets or endowment are presented as long-term assets. Cash and cash equivalents restricted by the Organization’s board for long-term purposes are presented as long-term assets not available for general operations. The board has the ability to remove these designations if needed.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair value at the time of donation. Expenditures for routine repairs and maintenance that do not add to an asset’s useful life are expensed in the period in which they are incurred. Information technology (IT) infrastructure acquired for the Organization’s internal needs during the implementation phase is capitalized and recorded at cost, then amortized over the asset’s useful life. Asset additions and expenditures that extend the useful lives of existing assets are capitalized and depreciated. Gains and losses from disposals of property and equipment are included in current operations.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

The Organization reviews assets carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. If considered impaired, the carrying amount of the asset is reduced to its current fair value.

Depreciation

Depreciation on property and equipment is recorded using the straight-line method over the various estimated useful lives of the assets.

As the Organization embarks on construction projects in support of its purpose, New York State (the State) and the Organization typically enter into agreements that map out the parameters of the projects.

Typically, construction costs paid for by the Organization to improve capital assets that it will not own and relate directly to the historic structures and grounds are expensed as incurred. Costs for new construction and ongoing capital improvements paid for by the Organization are recorded at cost and described as leasehold improvements when the Organization controls the use of those assets during the term of the operating agreement.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

The Organization has evaluated any uncertain tax positions and related income tax contingencies and determined uncertain positions, if any, are not material to the financial statements, according to FASB ASC 740-10, "*Income Taxes*". Penalties and interest assessed by income taxing authorities are included in operating expenses, if incurred. The Organization is no longer subject to examination by federal and state taxing authorities for the years prior to the year ended December 31, 2022. None of the Organization's returns are currently under examination.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that will 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. Actual results could differ from those estimates.

Concentrations of Credit and Market Risks

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, contributions receivable and investments. Cash and cash equivalents are maintained at high quality financial institutions and credit exposure is not limited to any one institution. It is the policy of the Organization to minimize credit risk. Bank exposure is limited to amounts covered by Federal Deposit Insurance Corporation (FDIC).

Other cash equivalents may include investments in US government securities or money market funds that at a minimum invest 80% of their assets in debt issued directly by the US government in the form of Treasury bills and may invest in other securities including, but not limited to debt issued by federal agencies that are sponsored, guaranteed, or owned by the federal government. Such funds are required to invest at least 99.5% of their total assets in cash, U.S. government securities, and/or repurchase agreements that are collateralized solely by U.S. government securities or cash (collectively, government securities).

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit and Market Risks (Continued)

The Organization's bank accounts exceeded the FDIC limit by approximately \$48,000 and the cash and cash equivalents held by investment firms exceeded the Securities Investor Protection Corporation (SIPC) limit by approximately \$362,000 as of December 31, 2025. The Organization has not experienced any losses with respect to its cash balances. Based upon assessment of the financial condition of these institutions, management believes that the risk of loss of any uninsured amounts is minimal.

At December 31, 2025, there were three donors that individually exceeded 10% of contributions receivable at 15%, 30%, and 36%. In addition, one donor's total contributions represented 10% of total revenues for the year ended December 31, 2025. The Organization has determined no allowance for credit losses is needed based on a review of outstanding receivables, historical collection information, and economic conditions. Management controls credit risk through the use of the above procedures.

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 certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Investments

In accordance with FASB ASC 958-320, "*Accounting for Certain Investments Held by Not-For-Profit Organizations*" investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless donor or law restricts the income or loss. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

Fair Value Measurements

Investments are measured at fair value on a recurring basis in accordance with FASB ASC 820, "*Fair Value Measurement*" (ASC 820). ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active. Level 3 inputs are unobservable inputs that reflect management's assumptions about the assumptions market participants would use in pricing the asset or liability. The Organization's investments are classified within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. The Organization does not have any Level 2 or 3 investments.

Investments in mutual funds and exchange traded funds are valued based on quoted market prices within active markets. Short-term investments consist of U.S. Treasury bills with original maturities greater than three months, which are classified as held-to-maturity and are carried at amortized cost, which approximates fair value due to their short-term nature.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

FASB Accounting Standards Update (ASU) 2012-05, *“Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows”* requires not-for profit entities to classify unrestricted cash receipts from the sale of donated financial assets that were nearly immediately converted to cash as cash inflows from operating activities. Cash receipts in which the donor restricts the use of contributed resources to long-term purposes should be classified as financing cash flows.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. Inventory includes books, periodicals and other items available for resale at the bookstore and gift shop.

Donated Goods and Services

The Organization recognizes revenue for certain services received at the fair value of those services. These services include professional services donated by attorneys, accountants and other professionals, as well as donated advertising and legal services. The fair value of the donated services is reflected in revenues and included in expenses in the following natural categories for the year ended December 31, 2025:

Professional fees	\$ 9,180
Professional-legal and accounting fees	60,300
Shop (in-kind donations)	1,105
Professional fees - shop	130
Program (professional services)	373
Special events (professional services)	675
Total	<u>\$ 71,763</u>

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with program services and fundraising events. No amounts have been reflected in the financial statements for these donated services since a volunteer's time does not meet the criteria for recognition under FASB ASC 958-605, *“Not-for-Profit Entities—Revenue Recognition”*.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services (Continued)

The Organization receives donated office space at the Olana Historic Site under the Organization's Operating Agreement (Note 14) payment free in exchange in part for services outlined in the Operating Agreement. The Organization estimated the fair value of such donated rent to be \$14,400 based on square footage and prevailing market rates. Donated rent expense is included in the caption "Occupancy/utilities" in the accompanying statement of functional expenses.

Revenue Recognition

The Organization follows ASC 606, "*Revenue from Contracts with Customers*", which requires revenue to be recognized when the Organization's performance obligation is satisfied. This occurs when services are rendered, or the customer obtains control over the product.

Admissions Revenue

Revenue from admissions is recognized at the point in time when the related event or exhibit occurs and the customer obtains access. Deferred revenue is recorded for advance ticket sales until the related event takes place.

Bookstore and Gift Shop Sales

Revenues from bookstore and gift shop sales are recognized at the point of sale when control of the goods transfers to the customer. Sales are reported net of estimated returns, sales discounts, and sales taxes.

Membership Dues

Membership dues contain both an exchange element (e.g., free admission, discounts, publications) and a contribution element. The exchange portion is recognized ratably over the membership period as the benefits are provided. The contribution portion is recognized immediately in net assets without donor restrictions. Deferred revenue is recorded for the unearned portion of exchange benefits.

Revenue Recognition – Government Grants

The Organization receives funding under cost-reimbursable grants that are accounted for as conditional contributions in accordance with ASC 958-605. Revenue is earned on cost reimbursable type contracts as services are provided and expenses are incurred to carry out the objectives of the related contractual arrangements. Cost reimbursable contract revenue is recognized only to the extent the contract allows for the related costs incurred by the Organization and cannot exceed the maximum amount allowed for under the contract. Funds advanced to the Organization prior to the earnings process are deferred and included in the caption "government contract advance" in the accompanying statement of financial position. Revenue earned in excess of payments received from the government agency is accrued as government grant receivable.

Collections

The Organization does not capitalize its collections. Costs of collection items purchased are shown as decreases in net assets in the statement of activities, proceeds from sales of collection items and insurance recoveries of lost or destroyed collection items are presented as increases in net assets.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited in the statement of functional expenses. Such allocations are determined by management on an equitable basis.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in either operating or financing right-of-use assets (ROU) and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and the ROU assets also include prepaid or accrued rent.

The Organization follows ASC 842, "Leases", which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The Organization has elected the practical expedient to account for lease and related non-lease components as a single lease component. The Organization has also elected the short-term lease exemption and, accordingly, does not recognize a right-of-use asset or lease liability for leases with a term of twelve months or less. Lease costs associated with such arrangements are recognized on a straight-line basis over the lease term.

In the case where the Organization provides services in exchange for free rent, the Organization records as ROU assets and lease liabilities the present value of the future estimated fair value of future rent over the lease term. On an annual basis the reduction in the ROU assets and lease liabilities is reflected as "Occupancy/utilities" in the accompanying statement of functional expenses and "Donated rent" in the accompanying statement of activities.

As of December 31, 2025, the Organization had \$149,302 of ROU assets and lease liabilities in its statement of financial position related to its rent-free arrangement with NYS OPRHP.

Risks and Uncertainties

In April 2020, the Organization received a loan in the amount of \$259,565 from its bank through the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). In January 2021, the loan, including principal and interest, was forgiven and considered repaid in full.

In February 2021, the Organization received a second PPP loan in the amount of \$266,277. In 2022, the loan was forgiven and considered repaid in full. The principal plus accrued interest balance of \$266,277 was reported as forgiveness of paycheck protection program loan on the statement of activities for the year ended December 31, 2022.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties (Continued)

According to the rules of the SBA, the Organization is required to retain PPP loan documentation for six years after the date the loan was forgiven in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization's judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

Subsequent Events

Subsequent events have been evaluated through August 5, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist primarily of pledges and grants from private foundations and individuals that are scheduled to be collected over a period of time. The following summarizes the contributions receivable based on the period in which they are expected to be collected. The carrying value is determined by calculating the fair value of the estimated future cash flows at the date of contribution, less any payments, and net of an allowance for uncollectible pledges.

The interest rates used in determining the fair value of contributions receivable range from 3.60% to 4.58% at December 31, 2025, based on the terms and pledge dates of the gifts. Once the fair value discount rate is applied at the date of pledge the rate is generally set for the life of the pledge.

The fair value rate is based on a risk-free treasury rate adjusted upward for risk based on management's assessment of the donor's expected ability to pay.

The expected receipts of multi-year unconditional promises to give are as follows:

2026	\$ 979,905
2027	277,958
2028	149,006
2029	-
2030	240,362
	1,647,231
Less: amounts representing interest	(89,901)
	<u>\$ 1,557,330</u>

Included in expected cash receipts for the year 2026 are approximately \$800,241 of contributions receivable classified as "long-term" on the Statement of Financial Position given the restriction to be used for capital purchases (\$600,241) and for investment in endowment (\$200,000).

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 – INVESTMENTS

Investments at December 31, 2025, stated at fair value include:

	Cost	Unrealized Gain	Fair Market Value
Mutual Funds:			
Bond	\$ 1,524,643	\$ 31,200	\$ 1,555,843
Federal Money Market	45,662	-	45,662
Exchange Traded Funds	3,260,695	78,353	3,339,048
US Treasury Bills	860,492	15,328	875,820
	<u>\$ 5,691,492</u>	<u>\$ 124,881</u>	<u>\$ 5,816,373</u>

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows as of December 31, 2025:

<u>Category</u>		<u>Useful Lives</u>
Furniture/Equipment	\$ 358,109	5 - 10 years
Information technology (IT) infrastructure	37,875	5 years
Leasehold Improvements	8,447,456	18 years
Accumulated Depreciation	<u>(636,935)</u>	
	<u>\$ 8,206,505</u>	

Depreciation expense for the year ended December 31, 2025 was \$522,511.

The termination date after renewal of the operating agreement with New York State, August 31, 2042, will serve as the end of the useful life for the leasehold improvements (Note 14).

NOTE 6 – SPECIAL EVENTS

Special Events generate revenue for the Organization as well as raise awareness about the Organization's mission. Some events are annual, and some are incidental to the Organization's central activities and do not happen regularly. Incidental events are recorded net in the accompanying Statement of Activities.

During the year ended December 31, 2025, the Organization held two special events; a financial summary for those events is as follows:

	Frederic Church Awards	Summer Party	Total
Revenues:			
Contributions	\$ 865,743	\$ 186,244	\$ 1,051,987
Special event revenue	86,100	15,550	101,650
Less: Costs of direct benefit to donors	<u>(180,088)</u>	<u>(33,775)</u>	<u>(213,863)</u>
Net revenues from special events	<u>(93,988)</u>	<u>(18,225)</u>	<u>(112,213)</u>
Total revenues	<u>771,755</u>	<u>168,019</u>	<u>939,774</u>
Expenses:			
Fundraising			
Supplies, office, and printing	<u>(9,917)</u>	<u>(7,559)</u>	<u>(17,476)</u>
Increase in net assets without donor restrictions	<u>\$ 761,838</u>	<u>\$ 160,460</u>	<u>\$ 922,298</u>

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 7 – LINE OF CREDIT

The Organization has a \$600,000 line of credit which is collateralized by the assets of the Organization. The interest rate on the line of credit is the prime rate (6.75% at December 31, 2025) plus 1%, and has an interest rate floor of 4.0%. The interest rate was 7.75% at December 31, 2025. No amounts were outstanding on the line of credit as of December 31, 2025. The line of credit is due on demand.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets as of December 31, 2025 are held as follows:

Subject to expenditure for specified purpose:

Collections and Exhibitions -

Exhibitions	\$	17,750
Curatorial/Main House projects		29,938

Interpretation / Education -

Education programs		43,408
Critical Initiative		773,254

Landscape / Viewshed -

Landscape/Viewshed projects		54,200
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Capital Development -

Capital campaign - Frederic Church Center		1,916,285
		<u>2,834,835</u>

Subject to the passage of time:

Board dues - 2026		34,250
General operations (net discount of \$1,030)		161,410
		<u>195,660</u>

Subject to the passage of time and purpose:

Capital campaign - Frederic Church Center (net discount of \$33,051)		819,690
Art Bridges - Access for All Program		60,443
		<u>880,133</u>

Donor restricted endowments (subject to spending policy and appropriations, including accumulated earnings of \$449,231):

President Position		1,211,607
Educator Position		1,237,625
Curator Position		210,788
Landscape Curator Position		960,503
		<u>3,620,523</u>

Total net assets with donor restrictions	\$	<u><u>7,531,151</u></u>
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THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the year ended December 31, 2025, releases from restriction were comprised of the following:

Subject to expenditure for specified purpose:

Collections and Exhibitions	\$ 129,087
Capital Campaign - Frederic Church Center	158,697
	<u>287,784</u>

Subject to passage of time:

General Operations	106,675
	<u>106,675</u>

Subject to passage of time and purpose:

Capital Campaign - Frederic Church Center (net of discount)	519,376
Art Bridges - Access for All Program	75,976
	<u>595,352</u>

Subject to endowment restriction:

Drawdown (net of investment returns)	7,532
	<u>7,532</u>

Total Releases:

\$ 997,343

NOTE 9 – BOARD DESIGNATED NET ASSETS

The board has designated net assets without restrictions for contingencies which are comprised of the following as of December 31, 2025:

Investments	\$ 404,143
Cash	23,667
	<u>\$ 427,810</u>

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS – ENDOWMENT FUNDS

The Organization's endowment funds represent donor-restricted endowment gifts for four salaried positions (president, educator curator, and landscape curator). Donors have intended that the earnings on such gifts be accumulated until each salaried position reaches \$1 million goal, then earnings are to be used to fund such positions. During the year ended December 31, 2014, The Olana Partnership reached its goal of \$1 million for the President and Educator Endowment Funds. As a result of attaining this goal, the Organization is allowed to draw down earnings, if available, to fund such positions. The landscape curator endowment was established in 2024 with a \$1 million pledge, of which \$600,000 is still in contributions receivable as of December 31, 2025.

The Organization's endowment consists of four funds (one for each endowment fund) held with an institutional investment company (LPL Financial). The endowment includes donor-restricted endowment funds which are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Trustees of the Organization has interpreted the New York State Uniform Management of Institutional Funds Act "UMIFA" as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS – ENDOWMENT FUNDS (Continued)

As a result of this interpretation, The Organization classifies as the corpus of the endowment net assets (a) the original value of gifts donated to permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Presently, (until the \$1M goal per position is met), earnings (dividends and interest), realized and unrealized appreciation (depreciation) on the endowment fund are classified as restricted support as outlined by the donors.

Return Objectives and Risk Parameters

The Organization's Board of Trustees has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to supplement annual third-party contributions and maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce modest results while assuming a low level of investment risk. The Organization expects its endowment fund, over time, to provide an average rate of return sufficient to cover future draw-downs over the long-term.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization currently targets a diversified asset allocation of equities and fixed income-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

For donor-restricted endowments, investment returns are reinvested until the \$1M goal per position is met. At that time, future earnings are subject to the donors' temporary purpose restrictions. In establishing this policy, the Organization considers the long-term expected return on its endowment.

Underwater Endowments:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the Organization to retain as a fund of perpetual duration. There were none at December 31, 2025.

The Organization has a policy that permits spending underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Accordingly, over the long-term, The Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS – ENDOWMENT FUNDS (Continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2025:

	<u>With Donor Restrictions</u>
Donor Restricted Endowment Funds:	
President Endowment	\$ 1,000,000
Educator Endowment	1,000,000
Landscape Curator Endowment	949,006
Landscape Curator Endowment earnings	11,497
Curator Endowment	99,000
Curator Endowment earnings	111,788
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>3,171,291</u>
Accumulated investment gains - President Endowment	211,607
Accumulated investment gains - Educator Endowment	<u>237,625</u>
Total accumulated investment gains	<u>449,232</u>
 Total Donor Restricted Endowment Funds	 <u><u>\$ 3,620,523</u></u>

Changes in Endowment Net Assets for the Year Ended December 31, 2025 are as follows:

	<u>With Donor Restrictions</u>
Beginning of year	\$ 3,572,036
Investment return and interest, net	198,487
Amounts appropriated for expenditure	<u>(150,000)</u>
End of year	<u><u>\$ 3,620,523</u></u>

Endowment Net Assets are comprised of the following as of December 31, 2025:

Cash and cash equivalents- restricted to investment in endowment	\$ 89,075
Contributions receivable, net of a \$50,994 discount - restricted to endowment	549,006
Investments - restricted for endowment	<u>2,982,442</u>
	<u><u>\$ 3,620,523</u></u>

NOTE 11 – RETIREMENT PLAN

The Organization has a 403(b)-retirement plan for employees. There is an employer match of 6% of salary for eligible employees. The total employer match expense was \$50,877 for the year ended December 31, 2025.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 12 – LIQUIDITY

The Organization's financial assets available within December 31, 2025 for general expenditure are as follows:

Current financial assets:	
Cash and cash equivalents	\$ 528,942
Contributions receivable	179,664
Investments	875,820
Total financial assets	<u>1,584,426</u>
Less amounts unavailable for general expenditures within one year due to:	
Donor restricted net assets - restricted for purpose	<u>(918,550)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 665,876</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization anticipates utilizing \$150,000 of endowment earnings during 2026 based on its spending plan.

In addition, the Organization had access to a line of credit (see note 7) which it utilizes, as needed, to manage daily cash flow needs. The Organization also has board restricted funds when necessary (see Note 9).

NOTE 13 – FAIR VALUE

The Organization's assets that are measured at fair value, categorized within the fair value hierarchy as of December 31, 2025, are presented as follows:

	Fair Value as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents:				
Federal Money Market Mutual Funds	\$ 45,662	\$ -	\$ -	\$ 45,662
Bond Mutual Funds	1,555,843	-	-	1,555,843
Exchange Traded Funds	3,339,048	-	-	3,339,048
US Treasury Bills	875,820	-	-	875,820
	<u>\$ 5,816,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,816,373</u>

NOTE 14 – LEASE

The Organization evaluated current contracts to determine which met the criteria for a lease. On December 7th, 2022, the Organization finalized and entered into an operating agreement with New York State which terminates on August 31, 2032, with a renewal option to extend the agreement an additional 10 years. The Organization considers the use of office space under this long-term agreement as an operating lease. The Organization receives free rent in exchange for services over the term of the Operating Agreement.

THE OLANA PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 14 – LEASE (Continued)

The total lease expense and corresponding non-monetary service revenue for the year ended December 31, 2025, was \$14,400. The weighted average discount rate applied to calculate the lease liability was 6.25%. The weighted average life of the lease liability is 17 years.

Future maturities of lease liabilities are presented in the following table for the years ending December 31:

2026	\$	14,400
2027		14,400
2028		14,400
2029		14,400
2030		14,400
Thereafter		169,200
Total lease service commitments		241,200
Less: present value of discount		(91,898)
Total lease obligations	\$	<u>149,302</u>

NOTE 15 – NYS OPRHP PAYABLE AND EMPIRE STATE DEVELOPMENT GRANT

In 2023, the Organization signed a supplemental agreement with the NYS OPRHP obligating the Organization to pay \$4,900,000 in three separate payments. This amount represents reimbursement to the NYS OPRHP for capital expenditures related to the construction of the Frederic Church Center (FCC), including oversight of the project and contractor fees. \$3,000,000 of this amount was paid by the Organization in 2023, \$500,000 was paid in December 2025, and \$1,400,000 is due in December 2026. The FCC opened in October 2024 and the full \$4,900,000 was placed into service and capitalized as a leasehold improvement at that date. As of December 31, 2025, the remaining \$1,400,000 is outstanding and reflected on the balance sheet as payable to the NYS OPRHP.

In connection with the \$1,400,000 payable noted above, the Organization applied for and was awarded \$1,400,000 from an Empire State Development (ESD) Grant. This is a cost reimbursable grant that required the completion of the FCC, final approval by ESD, and approval of the individual costs for reimbursement as they are submitted over the life of the project. The final grant agreement was signed in September 2025 and expires on December 31, 2031. As of the date of the auditor's report, reimbursement of expenses incurred under the project has not been approved.