

**OPERATION OSWEGO COUNTY, INC.  
AND  
OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2023 and 2022**



**grossman st. amour**  
CERTIFIED PUBLIC ACCOUNTANTS PLLC

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Operation Oswego County, Inc. and Operation Oswego County Foundation, Inc.  
Oswego, New York

### ***Report on the Financial Statements***

#### ***Opinion***

We have audited the financial statements of Operation Oswego County, Inc. and Operation Oswego County Foundation, Inc. (the Organizations), which comprise the statements of net position as of December 31, 2023 and 2022, and the related statements of support and revenue, expenses and change in net position and cash flows for the years 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 Organizations as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organizations 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Organizations' 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 Organizations' 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 Organizations' 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Organizations' financial statements. The Schedules of Supplementary Information (Statements of Functional Expenses, Consolidating Statements of Net Position and Consolidating Statements of Support and Revenue, Expenses and Changes in Net Position) on pages 19 through 24 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedules of Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Supplementary Information are fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the Organizations' 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 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 Organizations' internal control over financial reporting and compliance.

*Grossman St Amour CPAs*

Syracuse, New York  
March 18, 2024

**OPERATION OSWEGO COUNTY, INC. AND  
OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Management's Discussion and Analysis (unaudited)**

---

As management of the Operation Oswego County, Inc. (OOC) and the Operation Oswego County Foundation, Inc. (the "Foundation") (the "Organizations"), we offer readers of the Organizations' financial statements this narrative overview and analysis of the financial activities of the Organizations for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

OOC is a local authority as defined by the New York State Public Authorities Law (PAL). As such, OOC is subject to the reporting requirements contained in the PAL and the Public Authorities Reporting Information System. The Foundation is a not-for-profit organization with a primary mission of assisting and supporting OOC. The financial statements of the two affiliated organizations are combined and transactions between the two Organizations have been eliminated.

**FINANCIAL HIGHLIGHTS**

- The Organizations' assets exceeded its liabilities by \$3,921,280 (net position) for the fiscal year reported. This represents an increase in assets in excess of liabilities of \$109,249, a 2.72% increase.
- Total liabilities and deferred outflows of resources of the Organizations decreased by \$326,601 to \$764,386 during the fiscal year, a decrease of 29.94% primarily from the repayment of debt obligations.
- The Organizations' long-term debt, which is primarily associated with the development of buildings, industrial parks and assistance to business, decreased by \$192,154 to \$597,715, net of related allowance. This represents a decrease of 24.33% from the prior fiscal year.
- Support and revenues exceeded operating expenses by \$109,249 and generated an increase in net position of \$109,249.
- In October 2023, OOC sold approximately 4 acres of land from the Town of Volney Airport Industrial Park for approximately \$11,776. OOC recognized a gain of approximately \$11,215 on the sale.
- In December 2022, OOC entered into a severance agreement approximating \$178,900 for severance pay to a retiring employee. Approximately \$89,400 was paid out during 2023 and the remainder is expected to be paid out during 2024. Severance costs accrued at December 31, 2023 and 2022 approximated \$89,400 and \$178,900, respectively. In addition, in 2023 OOC received funding of approximately 50% of these costs and other succession related costs through a cost-sharing agreement with the County of Oswego Industrial Development Agency. The receivable and associated reimbursement of expenses of approximately \$103,000 were recognized at December 31, 2022 and collected in 2023.

**OPERATION OSWEGO COUNTY, INC. AND  
OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Management's Discussion and Analysis (unaudited)**

---

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Organizations' financial statements. The Organizations' financial statements are comprised of fund financial statements.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Organizations' finances, in a manner similar to a private-sector business. The statements of net position presents information on all of the Organizations' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organizations are improving or deteriorating.

The statements of support and revenue, expenses and changes in net position present information showing how the Organizations' net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Both of the government-wide financial statements report only business-type (proprietary) activities, since none of the Organizations' activities are considered to be governmental activities supported primarily by County grants and contracts.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 11 through 18 of this report.

**Other information** – In addition to the financial statements and accompanying notes, this report also includes certain supplemental information, which includes information concerning the allocation of expenses on a functional basis, consolidation of assets, liabilities and net position and the consolidation of revenue and expenses. This supplementary information can be found on pages 19 through 24 of this report.

**OPERATION OSWEGO COUNTY, INC. AND  
OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Management's Discussion and Analysis (unaudited)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the Organizations' financial position. In the case of the Organizations, assets exceeded liabilities by \$3,921,280 and \$3,812,031 as of December 31, 2023 and 2022, respectively. This net position balance primarily represents cash and cash equivalents of \$1,420,491 and \$1,299,824, respectively, which may be used by the Organizations for future economic development needs as more fully described in the Organizations' mission statements. The Organizations' only fund is treated as a proprietary (business-type) fund. The following are summarized versions of the government-wide financial statements for the 2023 and 2022 fiscal years:

	2023	2022
<b>Net Position</b>		
Cash and cash equivalents	\$ 1,420,491	\$ 1,299,824
Accounts receivable and prepaid expenses	117,040	216,825
Deposit in loan fund	44,305	44,305
Loans receivable, net	784,976	967,287
Capital assets, net	555,105	613,101
Land for development	1,740,137	1,740,137
Deferred outflow of resources	23,612	21,539
<b>Total assets</b>	<b>\$ 4,685,666</b>	<b>\$ 4,903,018</b>
Accounts payable and accrued expenses	\$ 135,291	\$ 245,184
Debt obligations, net	597,715	789,869
<b>Total liabilities</b>	<b>733,006</b>	<b>1,035,053</b>
Deferred inflow of resources	31,380	55,934
<b>Net position</b>	<b>\$ 3,921,280</b>	<b>\$ 3,812,031</b>
<b>Change in Net Position</b>		
	Years ending December 31,	
	2023	2022
<b>Support and revenue:</b>		
Local governments	\$ 856,200	\$ 778,100
State and other grants	25,068	21,264
Rental revenue	164,322	159,043
Service charges- loans	24,520	35,512
Interest income	23,104	22,364
Event income	28,586	27,501
Sponsorship income	1,500	2,000
Miscellaneous	19,570	5,758
Total support and revenue	<b>1,142,870</b>	<b>1,051,542</b>
<b>Operating expenses:</b>		
Program expenses	868,949	1,062,244
Rental depreciation expense	47,967	52,534
Management and general	107,237	126,397
Management and general depreciation expense	9,468	8,556
Total operating expenses	<b>1,033,621</b>	<b>1,249,731</b>
Change in net position	<b>109,249</b>	<b>(198,189)</b>
Net position at beginning of year	<b>3,812,031</b>	<b>4,010,220</b>
<b>Net position at end of year</b>	<b>\$ 3,921,280</b>	<b>\$ 3,812,031</b>

**OPERATION OSWEGO COUNTY, INC. &  
OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Management's Discussion and Analysis (unaudited)**

---

**REQUEST FOR INFORMATION**

This financial report is designed to provide readers with a general overview of the Organizations' finances. If you have questions about this report or need additional information, contact the Organizations' boards at 44 West Bridge Street, Oswego, NY 13126.



OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.

Statements of Net Position

	December 31,	
	2023	2022
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,420,491	\$ 1,299,824
Accounts receivable	117,040	216,825
Deposit in loan fund	44,305	44,305
Loans receivable, net	784,976	967,287
Property and improvements, net	555,105	613,101
Land for development	1,740,137	1,740,137
Total assets	<u>4,662,054</u>	<u>4,881,479</u>
<b>Deferred outflow of resources</b>	<u>23,612</u>	<u>21,539</u>
	<u>\$ 4,685,666</u>	<u>\$ 4,903,018</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 135,291	\$ 245,184
Debt obligations, net	597,715	789,869
Total liabilities	<u>733,006</u>	<u>1,035,053</u>
<b>Deferred inflow of resources</b>	<u>31,380</u>	<u>55,934</u>
Net investment in capital assets	555,105	613,101
Restricted net position	32,729	44,793
Unrestricted net position	3,333,446	3,154,137
<b>Net position</b>	<u>3,921,280</u>	<u>3,812,031</u>
	<u>\$ 4,685,666</u>	<u>\$ 4,903,018</u>

The accompanying notes are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Statements of Support and Revenue, Expenses and Changes in Net Position**

	Years Ended December 31,	
	2023	2022
<b>Support and revenue:</b>		
Local governments	\$ 856,200	\$ 778,100
State and other grants	25,068	21,264
Rental revenue	164,322	159,043
Service charges- loans	24,520	35,512
Interest income	23,104	22,364
Event income	28,586	27,501
Sponsorship income	1,500	2,000
Miscellaneous	19,570	5,758
Total support and revenue	1,142,870	1,051,542
<b>Operating expenses:</b>		
Program expenses	868,949	1,062,244
Rental depreciation expense	47,967	52,534
Management and general	107,237	126,397
Management and general depreciation expense	9,468	8,556
Total operating expenses	1,033,621	1,249,731
Change in net position	109,249	(198,189)
Net position at beginning of year	3,812,031	4,010,220
<b>Net position at end of year</b>	<b>\$ 3,921,280</b>	<b>\$ 3,812,031</b>

The accompanying notes are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Statements of Cash Flows**

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Cash received for economic development	\$ 931,430	\$ 569,915
Cash received for other development incentives	63,509	56,051
Cash received for interest and loan service charges	47,624	57,941
Cash received for rent	164,322	159,043
Cash received for loan repayments	204,838	472,323
Cash paid for loans issued	-	(21,700)
Cash paid for administration	(224,637)	(21,600)
Cash paid for development and promotion expenses	(829,900)	(1,026,726)
Cash paid for professional fees	(33,615)	(30,638)
Net cash provided by operating activities	<u>323,571</u>	<u>214,609</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of land	11,776	176,287
Cash paid for the purchase of property and improvements	-	(51,295)
Net cash provided by investing activities	<u>11,776</u>	<u>124,992</u>
<b>Cash flows from financing activities:</b>		
Cash paid for loan repayments	(214,680)	(297,789)
Net cash used in financing activities	<u>(214,680)</u>	<u>(297,789)</u>
Net change in cash	120,667	41,812
Cash, beginning of year	1,299,824	1,258,012
Cash, end of year	<u>\$ 1,420,491</u>	<u>\$ 1,299,824</u>
<b>Reconciliation of changes in net position to net cash provided by operating activities:</b>		
Change in net position	\$ 109,249	\$ (198,189)
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	57,435	61,090
Gain on sale of land	(11,215)	(758)
Loss on disposal of property and equipment	-	286
Net change in accounts receivable	99,785	(206,723)
Net change in loans receivable	204,837	450,623
Net change in deferred outflow of resources	(2,073)	(21,539)
Net change in deferred inflows of resources	(24,554)	(1,462)
Net change in accounts payable and accrued expenses	(109,893)	131,281
Net cash provided by operating activities	<u>\$ 323,571</u>	<u>\$ 214,609</u>

The accompanying notes are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Notes to Financial Statements**

---

**1. Summary of Significant Accounting Policies**

**Nature of Operations**

Operation Oswego County, Inc., (OOC) is a 501(c)(6) not-for-profit corporation subject to the reporting requirements contained in the New York State Public Authorities Law. OOC contracts with the Oswego County, State, and local governments to provide economic development, promotion, advertising, technical assistance, financial planning and related services. The Governmental Accounting Standards Board (GASB) permits certain governmental not-for-profit organizations to report as special-purpose governments engaged only in business-type activities under GASB Statement No. 34, which was amended by GASB Statement No. 62, allowing OOC to follow GASB pronouncements. Accordingly, OOC operates as a special-purpose government accounted for as a proprietary fund.

Operation Oswego County Foundation, Inc. (the Foundation) is a 501(c)(3) not-for-profit corporation which was established to assist and support OOC's promotional efforts. The Foundation is controlled by OOC in that OOC's board officers serve as trustees of the Foundation's board. Accordingly, OOC has consolidated its financial statements with the financial statements of the Foundation in a blended approach.

**Basis of Presentation**

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units and are presented on the accrual basis of accounting utilizing an "economic resources" measurement focus.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net position and revenues, expenses, gains and losses are classified based on the existence, or absence of restrictions.

**Governance**

OOC is managed by a Board of Directors, which establish the general policies governing OOC. The Board of Directors as of December 31, 2023 was comprised of 24 voting directors, respectively, and 5 non-voting ex-officio members in accordance with the by-laws of the organization. The Foundation is managed by a 4 member Board of Directors comprised of the OOC officers.

**Annual Budgets**

OOC is required to provide to the New York State Authorities Budget Office (ABO) an annual budget on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year. This budget is submitted to the ABO and can be found on OOC's website at <https://www.oswegocounty.org>.

Notes to Financial Statements

---

1. **Summary of Significant Accounting Policies** (continued)

**Revenue Recognition**

Support is recognized by the Organizations when the associated specific projects take place and/or expenditures are incurred for the intended purposes. The Organizations have the following significant streams of revenue:

Rental revenue for OOC is recognized as rents become due in accordance with the lease terms. Rental payments received in advance are deferred until earned.

Local government, state and other grant revenue is deemed to be earned and reported as revenue when the Organizations have incurred expenditures in compliance with the terms of the applicable grant agreement. Amounts due from governments and other agencies are recorded as receivables. The Organizations consider the associated accounts receivables to be fully collectible based on management's review; accordingly, no allowance for doubtful accounts is required.

The Foundation performs the Next Great Idea Oswego County Business Plan Competition and obtains sponsorship and grant funding for the event. The event is typically hosted every two years and sponsorship revenue is deferred until the event occurs. Grant funding is recognized as stated in the local government, state and other grant revenue section above.

**Leases**

The Organizations follow the requirements of GASB Statement No. 87, Leases. The Organizations do not currently have any lease agreements in which the Organizations are the lessee. OOC leases certain properties to tenants with lease terms in most cases of 12 months or less. All leases between OOC and the tenants of the spaces are operating leases. See Note 6 for specific lessee details and future minimum rental income expected.

**Net Position**

GASB requires the classification of net position into three components. These classifications are displayed in three components below:

- A. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At December 31, 2023 and 2022, the Organizations had net investment in capital assets of approximately \$555,100 and \$613,100, respectively.
- B. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At December 31, 2023 and 2022, the Organizations had restricted net assets of approximately \$32,700 and \$44,800, respectively, relating to the transactions of the Foundation.
- C. Unrestricted net position - all other assets that do not meet the definition of net investment in capital assets or restricted net position.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Notes to Financial Statements**

---

**1. Summary of Significant Accounting Policies (continued)**

**Net Position (continued)**

It is the Organizations' policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At December 31, 2023 and 2022, the Organizations had unrestricted net assets of approximately \$3,333,400 and \$3,154,100, respectively.

**Property and Improvements**

Property and improvements consist of buildings or improvements, which are stated at cost at the date the property was placed in service or acquired, less accumulated depreciation. It is the policy of the Organizations to provide for depreciation of these assets over their estimated useful lives using the straight-line method. Depreciation of fixed assets amounted to approximately \$57,400 and \$61,100 at December 31, 2023 and 2022, respectively.

Maintenance and repairs are expensed as incurred and major renewals and betterments over \$3,000 are capitalized. At the time of the sale or retirement, the costs and accumulated depreciation of such assets are removed from the respective accounts, and the gain or loss is reflected in support and revenues.

**Land Held for Development**

Various parcels of land have been purchased by, or contributed to OOC for use in business development. Land is stated at cost or its fair market value at the date of acquisition. Development costs for these projects have been added to the land costs. Over the years, OOC has purchased 182 acres of land, in the Town of Schroepfel, to be developed into the Oswego County Industrial Park. In 2022, OOC sold 17 acres for approximately \$177,000 recognizing a gain on the sale of land of approximately \$750. The remaining undeveloped acreage as of December 31, 2023 is 118 acres. Additionally, OOC has previously purchased land, in the Town of Volney, to form the Oswego County Airport Industrial Park. In 2023, OOC sold approximately 4 acres for approximately \$11,800 recognizing a gain on the sale of land of approximately \$11,200. The remaining undeveloped acreage of the Oswego County Airport Industrial Park as of December 31, 2023 and 2022 is 134 and 138 acres, respectively. OOC also owns 49 acres in the City of Oswego with which it has formed the Lake Ontario Industrial Park.

**Use of Estimates**

The preparation of financial statements in conformity 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. Actual results could differ from those estimates.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Notes to Financial Statements**

---

**1. Summary of Significant Accounting Policies (continued)**

**Income Taxes**

OOC and the Foundation are exempt from Federal income taxes under section 501(c)(6) and section 501(c)(3), respectively, of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organizations' do not believe the financial statements include any uncertain tax positions. It is the Organization's policy to recognize any interest and penalties as expenses. The Organizations' returns are subject to examination by taxing authorities for a period of three years from the date they are filed.

**Functional Allocation of Expenses**

The costs of providing the various programs have been summarized on a functional basis in the accompanying statement of support and revenue, expenses and changes in net position. Costs have been summarized as either program service expenses or management and general expenses. Program service expenses consist of costs related to providing programs or services in line with the Organizations' missions. Management and general expenses consist of costs associated with the overall administrative function and management of the Organizations. Certain costs have been allocated based on management's estimate of time spent, occupancy or usage. Costs specifically related to a program are charged directly to that program.

**Economic Dependency and Concentration of Credit Risk**

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of cash accounts in financial institutions. Cash balances may exceed Federal Deposit Insurance (FDIC) limits of \$250,000 at various points throughout the year.

The Organizations' derived approximately 75% and 73% of its revenues from the County of Oswego and County of Oswego Industrial Development Agency for the years ended December 31, 2023 and 2022, respectively. The loss of such funding would have a significant impact on the Organizations.

**Pension Plan**

OOC has a defined contribution plan, which covers all eligible employees. Pension costs approximated \$48,500 and \$58,100 for 2023 and 2022, respectively.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Notes to Financial Statements**

**2. Loans Receivable, net**

OOC held the following loans receivable at December 31:

	<u>2023</u>	<u>2022</u>
K&N Foods USA	\$ 433,332	\$ 449,999
Town of Schroepel	80,000	100,000
Holiday Inn Express	54,036	75,702
Universal Metal Works	44,847	64,568
Northland Filter International, LLC	376,299	463,822
COVID-19 Emergency Relief Loans	<u>41,077</u>	<u>84,837</u>
	1,029,591	1,238,928
Less: allowance for uncollectable loans receivable (see Note 3)	<u>(244,615)</u>	<u>(271,641)</u>
	<u><u>\$ 784,976</u></u>	<u><u>\$ 967,287</u></u>

These loans receivable primarily relate to corresponding notes payable described in Note 5 in which OOC received funds from the County of Oswego IDA (the IDA) and U.S. Department of HUD, respectively, and subsequently loaned the funds to the respective borrowers. Repayment of the loans is consistent with the terms described in Note 5.

**3. Allowance for Uncollectable Loans Receivable and Unpaid Debt Obligations**

Management evaluates the allowance for uncollectible loans based on review of delinquent outstanding loans along with other known client factors to estimate uncollectible amounts. Additionally, management has agreements with the IDA, of which any funds that are lent, and not subsequently repaid, will reduce the amount of funds repayable to the IDA. There was no bad debt expense recognized in 2023 and 2022. Management recognized a reduction in loans receivable and corresponding unpaid debt obligations of approximately \$244,600 and \$271,600 in 2023 and 2022, respectively, to reflect these potentially uncollectible amounts.

**4. Property and Improvements**

Property and improvements consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 23,234	\$ 23,795
Property and improvements	2,481,064	2,481,064
Furniture and equipment	<u>73,446</u>	<u>73,446</u>
	2,577,744	\$ 2,578,305
Less: accumulated depreciation	<u>(2,022,639)</u>	<u>(1,965,204)</u>
	<u><u>\$ 555,105</u></u>	<u><u>\$ 613,101</u></u>



**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Notes to Financial Statements**

**5. Long-Term Debt**

Long-term debt consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Note payable to the County of Oswego IDA for construction of a day care center in the Oswego County Industrial Park, interest free, payable solely from 60% of annual rental income, secured by land and building.	\$ 243,693	\$ 264,250
Note payable to the County of Oswego IDA for construction of the 2001 SPEC building in the Lake Ontario Industrial Park, interest free, with payments made from 60% of prior year rent payments. Effective in August of 2019, this note became unsecured as the building was sold to Northland Filter International, LLC. Future payments will be made from a combination of 60% of rent and principal mortgage payments.	89,669	175,460
Note payable to the County of Oswego IDA for industrial loan for equipment and construction at K & N Foods USA, interest free, repayable solely from payments received on note from K & N Foods USA in 180 equal payments of \$2,777.78 beginning on June 30, 2019.	450,000	458,332
Note payable to the County of Oswego IDA for use in providing funding to applicants seeking financial assistance through the COVID-19 Emergency Relief Loan Program, interest free, repayable from principal payments received on notes from borrowers on or before December 31st of 2021, 2022 and 2023. In addition, any unlent principal will be returned at a mutually agreed upon date in the near future.	58,968	163,468
Less: allowance for potentially uncollectible debt obligations	<u>(244,615)</u>	<u>(271,641)</u>
	<u>\$ 597,715</u>	<u>\$ 789,869</u>

Aggregate maturities of debt are as follows as of December 31:

	2024	\$ 198,648
	2025	57,767
	2026	53,889
	2027	53,889
	2028	53,889
	2029-2033	269,445
	2034-2038	154,803
	Total long-term debt	<u>842,330</u>
Less: allowance for potentially uncollectable debt obligations		<u>(244,615)</u>
		<u>\$ 597,715</u>

OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.

Notes to Financial Statements

6. Lease Agreements

OOC leases property to several organizations with lease terms as follows:

- Oswego County Opportunities, Inc.: Lease through January 31, 2025, payments of \$3,114.58 due monthly.
- Center for Instruction, Technology & Innovation: payments of \$5,958.33 due monthly through June 30, 2023, \$6,256.25 due monthly July 1, 2023 through June 30, 2026 and \$6,554.17 due monthly July 1, 2026 through June 30, 2028.

Rental income from the above organizations and other minor leasing arrangements for the years ended December 31, 2023 and 2022 approximated \$164,300 and \$159,000, respectively. Expected rental income based on current leases over the next five years as of December 31, 2023 are as follows:

2024	\$ 114,474
2025	80,215
2026	78,889
2027	80,677
2028	41,353
Rental income	<u>\$ 395,608</u>

7. Related Parties and Commitments

The Organizations' Executive Director also serves as the Chief Executive Officer for the IDA, a public benefit corporation. In addition, the IDA contracts with OOC for office space and administrative services. The IDA paid \$436,250 and \$350,000 for the years ended December 31, 2023 and 2022, respectively, to OOC for space and administrative services. At December 31, 2023 and 2022, IDA owed the Organizations approximately \$114,000 and \$88,000, respectively.

In previous years, the IDA provided OOC approximately \$2,831,000 of interest free funding to construct the Education, Day Care and SPEC buildings held by OOC. In 2013, the IDA provided OOC \$500,000 of interest free financing to support the re-use of the Birds Eye plant located in the City of Fulton by K&N Foods. OOC acted as a conduit lender for this financing and K&N Foods is responsible for repayment of the debt to OOC. In 2020, the IDA provided OOC \$500,000 of interest free funding to create the COVID-19 Emergency Relief Program. Current loan balances payable to the IDA as described in Note 5 approximate \$842,000 and \$1,062,000 for the years ended December 31, 2023 and 2022, respectively.

In December 2022, OOC entered into a severance agreement approximating \$178,900 of salary and benefits with a retiring employee. Severance costs of approximately \$89,400 and \$178,900 are accrued within accounts payable and accrued expenses on the statement of net position at December 31, 2023 and 2022, respectively. Payments during 2023 approximated \$89,400 and the remainder is expected to be paid out during 2024. In addition, in 2023 OOC received approximately 50% of these costs from a cost-sharing agreement with the IDA. At December 31, 2022, OOC recognized a receivable of approximately \$103,100 for associated reimbursement of expenses and succession related costs. This receivable was collected during 2023.

OOC has a loan receivable from a company whose executive leadership includes a member of the board.

Notes to Financial Statements

---

---

**8. Deferred Inflows of Resources**

The IDA advances funds annually to OOC. At December 31, 2023 and 2022, advances were not fully expended for committed projects from the Economic Development Initiative Fund (EDIF). It is anticipated that the majority of funds will be expended during 2024 for ongoing projects and other identified needs. Revenue will be recognized annually. Additionally, rental tenants make payments to OOC in advance. Rental payments received in advance are deferred until earned. The Foundation may also receive grants in advance of events that are deferred until the event takes place. Total deferred inflows of resources for the Organizations at December 31, 2023 and 2022 approximated \$31,400 and \$55,900, respectively.

**9. Deferred Outflows of Resources**

At times, the Organizations may pay for service with contract terms that extend into future years. Any expenses incurred on these contracts relating to those future years are reported as deferred outflow of resources to be recognized as an expense in the future period incurred. Total deferred outflow of resources for the Organization at December 31, 2023 and 2022 approximated \$23,600 and \$21,500, respectively.

**10. Subsequent Events**

Management has evaluated subsequent events through March 18, 2024, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.

**SUPPLEMENTARY INFORMATION**

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries	\$ 367,592	\$ 50,126	\$ 417,718
Pension plan	42,646	5,815	48,461
Employee benefits	82,592	11,262	93,854
Accounting and legal	28,910	3,942	32,852
Payroll taxes	35,145	4,792	39,937
Supplies	19,679	2,684	22,363
Telephone	5,672	774	6,446
Occupancy	4,389	599	4,988
Maintenance and repairs	32,340	4,410	36,750
Printing and publications	11,059	1,508	12,567
Travel	4,841	660	5,501
Insurance	23,527	3,208	26,735
Land taxes	5,936	809	6,745
Advertising	75,887	-	75,887
Professional services	671	92	763
REDI expense	3,804	-	3,804
Community relations	19,141	2,610	21,751
Miscellaneous	29,496	4,023	33,519
Dues and subscriptions	20,425	2,785	23,210
Rental and development expenses	55,197	7,138	62,335
Depreciation	47,967	9,468	57,435
	<u>\$ 916,916</u>	<u>\$ 116,705</u>	<u>\$ 1,033,621</u>

The accompanying schedules are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2022**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries	\$ 432,116	\$ 58,925	\$ 491,041
Pension plan	51,119	6,971	58,090
Employee benefits	154,669	21,091	175,760
Accounting and legal	24,949	3,402	28,351
Payroll taxes	35,800	4,882	40,682
Supplies	23,511	3,206	26,717
Telephone	7,393	1,008	8,401
Occupancy	3,993	544	4,537
Maintenance and repairs	35,490	4,839	40,329
Printing and publications	1,869	255	2,124
Travel	15,118	2,061	17,179
Insurance	27,647	3,770	31,417
Land taxes	6,934	946	7,880
Advertising	47,754	-	47,754
Professional services	2,013	274	2,287
REDI expense	20,000	-	20,000
Community relations	8,787	1,198	9,985
Miscellaneous	26,603	3,627	30,230
Dues and subscriptions	76,503	1,219	77,722
Rental and development expenses	59,976	8,179	68,155
Depreciation	52,534	8,556	61,090
	<u>\$ 1,114,778</u>	<u>\$ 134,953</u>	<u>\$ 1,249,731</u>

The accompanying schedules are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Combining Statement of Net Position**

**December 31, 2023**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	<b>Combined Total</b>
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>				
Assets:				
Cash and cash equivalents	\$ 1,384,284	\$ 36,207	\$ -	\$ 1,420,491
Accounts receivable	117,040	-	-	117,040
Deposit in loan fund	44,305	-	-	44,305
Loans receivable, net	784,976	-	-	784,976
Total current assets	2,330,605	36,207	-	2,366,812
Property and improvements, net	555,105	-	-	555,105
Land for development	1,740,137	-	-	1,740,137
Total assets	4,625,847	36,207	-	4,662,054
Deferred outflow of resources	23,612	-	-	23,612
	<u>\$ 4,649,459</u>	<u>\$ 36,207</u>	<u>\$ -</u>	<u>\$ 4,685,666</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 131,813	\$ 3,478	\$ -	\$ 135,291
Debt obligations, net	597,715	-	-	597,715
Total liabilities	729,528	3,478	-	733,006
Deferred inflow of resources	31,380	-	-	31,380
Net investment in capital assets	555,105	-	-	555,105
Restricted net position	-	32,729	-	32,729
Unrestricted net position	3,333,446	-	-	3,333,446
Net position	3,888,551	32,729	-	3,921,280
	<u>\$ 4,649,459</u>	<u>\$ 36,207</u>	<u>\$ -</u>	<u>\$ 4,685,666</u>

The accompanying schedules are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Combining Statement of Net Position**

**December 31, 2022**

**ASSETS AND DEFERRED OUTFLOW OF RESOURCES**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	<b>Combined Total</b>
Assets:				
Cash and cash equivalents	\$ 1,214,252	\$ 85,572	\$ -	\$ 1,299,824
Accounts receivable	216,825	-	-	216,825
Deposit in loan fund	44,305	-	-	44,305
Loans receivable, net	967,287	-	-	967,287
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	2,442,669	85,572	-	2,528,241
Property and improvements, net	613,101	-	-	613,101
Land for development	1,740,137	-	-	1,740,137
Total assets	<hr/>	<hr/>	<hr/>	<hr/>
	4,795,907	85,572	-	4,881,479
Deferred outflow of resources	21,539	-	-	21,539
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,817,446	\$ 85,572	\$ -	\$ 4,903,018

**LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION**

Liabilities:				
Accounts payable and accrued expenses	\$ 224,405	\$ 20,779	\$ -	\$ 245,184
Debt obligations, net	789,869	-	-	789,869
Total liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	1,014,274	20,779	-	1,035,053
Deferred inflow of resources	35,934	20,000	-	55,934
	<hr/>	<hr/>	<hr/>	<hr/>
Net investment in capital assets	613,101	-	-	613,101
Restricted net position	-	44,793	-	44,793
Unrestricted net position	3,154,137	-	-	3,154,137
Net position	<hr/>	<hr/>	<hr/>	<hr/>
	3,767,238	44,793	-	3,812,031
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,817,446	\$ 85,572	\$ -	\$ 4,903,018

The accompanying schedules are an integral part of the financial statements.



**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Combined Statement of Support and Revenue, Expenses and Changes in Net Position**

**Year Ended December 31, 2023**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	<b>Combined Total</b>
<b>Support and revenue:</b>				
Local governments	\$ 856,200	\$ -	\$ -	\$ 856,200
State and other grants	5,068	20,000	-	25,068
Rental revenue	164,322	-	-	164,322
Service charges- loans	24,520	-	-	24,520
Interest income	23,087	17	-	23,104
Event income	-	28,586	-	28,586
Sponsorship income	-	1,500	-	1,500
Miscellaneous	10,320	9,250	-	19,570
Total support and revenue	<u>1,083,517</u>	<u>59,353</u>	<u>-</u>	<u>1,142,870</u>
<b>Expenses:</b>				
Program expenses	798,136	70,813	-	868,949
Rental depreciation expense	47,967	-	-	47,967
Management and general	106,633	604	-	107,237
Management and general depreciation expense	9,468	-	-	9,468
Total operating expenses	<u>962,204</u>	<u>71,417</u>	<u>-</u>	<u>1,033,621</u>
Change in net position	121,313	(12,064)	-	109,249
<b>Net position at beginning of year</b>	<u>3,767,238</u>	<u>44,793</u>	<u>-</u>	<u>3,812,031</u>
<b>Net position at end of year</b>	<u>\$ 3,888,551</u>	<u>\$ 32,729</u>	<u>\$ -</u>	<u>\$ 3,921,280</u>

The accompanying schedules are an integral part of the financial statements.

**OPERATION OSWEGO COUNTY, INC. AND OPERATION OSWEGO COUNTY FOUNDATION, INC.**

**Combined Statement of Support and Revenue, Expenses and Changes in Net Position**

**Year Ended December 31, 2022**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	<b>Combined Total</b>
<b>Support and revenue:</b>				
Local governments	\$ 778,100	\$ -	\$ -	\$ 778,100
State and other grants	21,264	-	-	21,264
Rental revenue	159,043	-	-	159,043
Service charges- loans	35,512	-	-	35,512
Interest income	22,342	22	-	22,364
Event income	-	27,501	-	27,501
Sponsorship income	-	2,000	-	2,000
Miscellaneous	5,758	-	-	5,758
Total support and revenue	<u>1,022,019</u>	<u>29,523</u>	<u>-</u>	<u>1,051,542</u>
<b>Expenses:</b>				
Program expenses	1,014,332	47,912	-	1,062,244
Rental depreciation expense	52,534	-	-	52,534
Management and general	126,367	30	-	126,397
Management and general depreciation expense	8,556	-	-	8,556
Total operating expenses	<u>1,201,789</u>	<u>47,942</u>	<u>-</u>	<u>1,249,731</u>
Change in net position	(179,770)	(18,419)	-	(198,189)
<b>Net position at beginning of year</b>	<u>3,947,008</u>	<u>63,212</u>	<u>-</u>	<u>4,010,220</u>
<b>Net position at end of year</b>	<u>\$ 3,767,238</u>	<u>\$ 44,793</u>	<u>\$ -</u>	<u>\$ 3,812,031</u>

The accompanying schedules are an integral part of the financial statements.



**grossman st. amour**  
CERTIFIED PUBLIC ACCOUNTANTS PLLC

**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**

*INDEPENDENT AUDITOR'S REPORT*

To the Board of Directors  
Operation Oswego County, Inc. and Operation Oswego County Foundation, Inc.

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 the business-type activities of Operation Oswego County, Inc. and Operation Oswego County Foundation, Inc. (the Organizations) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Organizations' basic financial statements, and have issued our report thereon dated March 18, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing 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 the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control.

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 and therefore, material weaknesses may exist that have not been identified. However, as described in the accompanying schedule of deficiencies, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We consider the deficiencies described as item 2023-001 in the accompanying schedule of deficiencies to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organizations' 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 financial statements. 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 identified an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of deficiencies as item 2023-002.

### **Operation Oswego County, Inc. and Operation Oswego County Foundation, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organizations' response to the findings identified in our engagement and described in the accompanying schedule of deficiencies. The Organizations' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grossman St Amour CPAs

Syracuse, New York  
March 18, 2024

## Schedule of Deficiencies

### 2023-001 Segregation of Duties and Oversight Functions

Due to the size of the Organizations, there are a limited number of staff available to establish an optimal internal control system with proper segregations of duties. Within the cash disbursement cycle, we noted that checks are printed and mailed by the same individual. Segregating these duties amongst personnel so that signed checks are not returned to an individual with access to QuickBooks would enhance internal controls.

Within the cash receipt process, we noted that receipts are opened at the front desk and a log is made of the daily cash receipt activity. Another staff then prepares the bank deposit and makes the deposit, also recording the activity in QuickBooks. While a comparison of the receipt log and bank deposits is taking place, we recommend that this also include QuickBooks and be performed by an independent person on a regular basis allowing timely identification and resolution of any differences. Additionally, electronic cash receipts do not follow these cash receipt processes and controls. It is recommended that the Organizations implement the appropriate controls over such electronic receipts.

#### Management Response:

Management agrees that due to the small size of the support staff, it was difficult to sustain a system of internal controls with optimum segregation of duties. Over the last six months, staffing at the office has increased 50% and we have the capacity and skill sets to correct these deficiencies internally. To resolve the identified deficiencies, management is taking the following actions: First, management is developing a best practice process with auditors to segregate duties within existing staff related to the cash disbursement cycle. Management will also be utilizing existing staff to reconcile recorded QuickBooks activity per auditors' best practice recommendations. This will include staff not involved in the current receipt log process for both paper cash receipts received at the office as well as electronic cash receipts. OOC management is also in the process of seeking requests for qualifications from local and regional independent financial services firms for various duties including preparation of monthly financial statements using templates developed in-house for the various organizations. This will provide additional opportunities for independent oversight and broaden our internal controls process.

### 2023-002 Non-Compliance of Reporting Requirements

OOC is subject to the reporting requirements contained in the New York State Public Authorities Law and is required to file the required Public Authorities Reporting Information System (PARIS) reporting within 90 days of year-end. It is noted that the prior year PARIS reporting was not filed within the required timeframe. We recommend that management and the Board diligently work to meet required deadlines to remain in compliance with such requirements. Further, management has taken action with the intention to file 2023 PARIS reporting within the 90 day requirement.

**Management Response:** Management agrees that OOC was late to file within the Public Authorities Reporting Information System (PARIS) during the previous fiscal year by one week. Management and support staff have worked together with the auditors this year to begin the auditing period earlier so it does not delay OOC's requirement to file the required PARIS report within 90 days of the end of the fiscal year. The process and timeline to complete other requirements for PARIS have also been adjusted and streamlined. Compliance with PARIS reporting deadlines is expected in 2024, and Management will continue to optimize the process each year to ensure future compliance with the PARIS reporting deadline.