

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

**FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**



**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**

#### ***Opinions***

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, 2025 and 2024, and the related statements of support and revenue, expenses and changes 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, 2025 and 2024, 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 Opinions***

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 opinions.

#### ***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 twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.



## ***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 opinions. 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 opinions 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 20 through 25 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 16, 2026, 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 16, 2026

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

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

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As management of 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, 2025. 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 \$4,329,342 (net position) for the fiscal year reported. This represents an increase in assets in excess of liabilities of \$373,793, an 9.45% increase.
- Total liabilities and deferred outflows of resources of the Organizations decreased by \$236,783 to \$302,845 during the fiscal year, a decrease of 43.88% 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 \$254,498 to \$200,095, net of related allowance. This represents a decrease of 55.98% from the prior fiscal year.
- Support and revenues exceeded operating expenses and generated an increase in net position of \$373,793.
- In December 2025, OOC sold the BEC Building for \$450,000. OOC recognized a gain of \$362,541 on the sale.

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

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

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**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 19 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 20 through 25 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 \$4,329,342 and \$3,955,549 as of December 31, 2025 and 2024, respectively. This net position balance primarily represents cash and cash equivalents of \$1,556,395 and \$1,262,212, 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:

	December 31,	
	2025	2024
<b>Net Position</b>		
Cash and cash equivalents	\$ 1,556,395	\$ 1,262,212
Accounts receivable and prepaid expenses	120,861	112,725
Deposit in loan fund	44,305	44,305
Loans receivable, net	701,130	841,323
Property and improvements, net	510,964	520,229
Land held for development	1,681,337	1,681,337
Deferred outflow of resources	17,195	33,046
<b>Total assets</b>	<b>\$ 4,632,187</b>	<b>\$ 4,495,177</b>
Accounts payable and accrued expenses	\$ 66,622	\$ 44,123
Deferred revenue	6,730	11,514
Debt obligations, net	200,095	454,593
<b>Total liabilities</b>	<b>273,447</b>	<b>510,230</b>
Deferred inflow of resources	29,398	29,398
<b>Net position</b>	<b>\$ 4,329,342</b>	<b>\$ 3,955,549</b>
<b>Change in Net Position</b>		
	Years ended December 31,	
	2025	2024
<b>Support and revenue:</b>		
Local governments	\$ 883,000	\$ 836,100
State and other grants	85,000	1,202
Rental revenue	123,497	162,799
Service charges- loans	2,700	2,700
Interest income	73,073	51,716
Event income	27,093	11,719
Sponsorship income	1,500	750
Gain on sale of land	362,541	32,228
Miscellaneous	-	6,000
Total support and revenue	1,558,404	1,105,214
<b>Operating expenses:</b>		
Program expenses	1,000,169	899,578
Rental depreciation expense	46,482	47,110
Management and general	131,975	119,415
Management and general depreciation expense	5,985	4,842
Total operating expenses	1,184,611	1,070,945
Change in net position	373,793	34,269
Net position at beginning of year	3,955,549	3,921,280
<b>Net position at end of year</b>	<b>\$ 4,329,342</b>	<b>\$ 3,955,549</b>

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

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

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**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,	
	2025	2024
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,556,395	\$ 1,262,212
Accounts receivable	120,861	112,725
Deposit in loan fund	44,305	44,305
Loans receivable, net	701,130	841,323
Property and improvements, net	510,964	520,229
Land held for development	1,681,337	1,681,337
<b>Total assets</b>	<b>4,614,992</b>	<b>4,462,131</b>
<b>Deferred outflow of resources</b>	<b>17,195</b>	<b>33,046</b>
	<b>\$ 4,632,187</b>	<b>\$ 4,495,177</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 66,622	\$ 44,123
Deferred revenue	6,730	11,514
Debt obligations, net	200,095	454,593
<b>Total liabilities</b>	<b>273,447</b>	<b>510,230</b>
<b>Deferred inflow of resources</b>	<b>29,398</b>	<b>29,398</b>
Net investment in capital assets	510,964	520,229
Restricted net position	75,000	-
Unrestricted net position	3,743,378	3,435,320
<b>Net position</b>	<b>4,329,342</b>	<b>3,955,549</b>
	<b>\$ 4,632,187</b>	<b>\$ 4,495,177</b>

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,	
	2025	2024
<b>Support and revenue:</b>		
Local governments	\$ 883,000	\$ 836,100
State and other grants	85,000	1,202
Rental revenue	123,497	162,799
Service charges- loans	2,700	2,700
Interest income	73,073	51,716
Event income	27,093	11,719
Sponsorship income	1,500	750
Gain on sale of land	362,541	32,228
Miscellaneous	-	6,000
Total support and revenue	1,558,404	1,105,214
<b>Operating expenses:</b>		
Program expenses	1,000,169	899,578
Rental depreciation expense	46,482	47,110
Management and general	131,975	119,415
Management and general depreciation expense	5,985	4,842
Total operating expenses	1,184,611	1,070,945
Change in net position	373,793	34,269
Net position at beginning of year	3,955,549	3,921,280
<b>Net position at end of year</b>	<b>\$ 4,329,342</b>	<b>\$ 3,955,549</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>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Cash received for economic development	\$ 874,864	\$ 840,415
Cash received for other development incentives	113,593	19,671
Cash received for interest and loan service charges	70,989	63,948
Cash received for rent	123,497	162,799
Cash received for loan repayments	179,923	209,365
Cash paid for loans issued	(250,000)	(250,000)
Cash paid for administration	(89,438)	(221,482)
Cash paid for development and promotion expenses	(955,158)	(869,974)
Cash paid for professional fees	(34,889)	(28,139)
Net cash provided by (used in) operating activities	<u>33,381</u>	<u>(73,397)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of land	441,600	114,263
Purchase of property and improvements	(122,261)	(40,311)
Net cash provided by investing activities	<u>319,339</u>	<u>73,952</u>
<b>Cash flows from financing activities:</b>		
Payments on debt obligations	(58,537)	(158,834)
Net cash used in financing activities	<u>(58,537)</u>	<u>(158,834)</u>
Net change in cash	294,183	(158,279)
Cash, beginning of year	1,262,212	1,420,491
Cash, end of year	<u>\$ 1,556,395</u>	<u>\$ 1,262,212</u>
<b>Reconciliation of changes in net position to net cash provided by (used in) operating activities:</b>		
Change in net position	\$ 373,793	\$ 34,269
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	52,467	51,952
Gain on sale of land	(362,541)	(32,228)
Bad debt expense	14,309	-
Net change in accounts receivable	(8,136)	4,315
Net change in loans receivable	(70,077)	(40,635)
Net change in deferred outflow of resources	15,851	(9,434)
Net change in deferred revenue	(4,784)	9,532
Net change in accounts payable and accrued expenses	22,499	(91,168)
Net cash provided by (used in) operating activities	<u>\$ 33,381</u>	<u>\$ (73,397)</u>
<b>Supplemental schedule of non-cash operating and financing activities</b>		
Assignment of loan receivable and IDA loan payable, net of allowance	<u>\$ 195,833</u>	<u>\$ -</u>

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

Notes to Financial Statements

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**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 (PAL). 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, 2025 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

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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.

**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, 2025 and 2024, the Organizations had net investment in capital assets of approximately \$511,000 and \$520,200, respectively.

Notes to Financial Statements

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

**Net Position** (continued)

- 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, 2025, the Organizations had restricted net assets of approximately \$75,000 related to the County of Oswego Industrial Development Agency (the IDA) grant for office renovations that were not completed until 2026. As the renovations were not placed in service until 2026, the funds remained restricted as of December 31, 2025.
- C. Unrestricted net position - all other assets that do not meet the definition of net investment in capital assets or restricted net position.

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, 2025 and 2024, the Organizations had unrestricted net position of approximately \$3,743,000 and \$3,435,000, 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 \$53,000 and \$52,000 at December 31, 2025 and 2024, 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 land, in the Town of Schroepfel, to be developed into the Oswego County Industrial Park. In 2024, OOC sold approximately 8 acres for approximately \$97,500 recognizing a gain on the sale of land of approximately \$15,200. The remaining undeveloped acreage as of December 31, 2025 and 2024 is approximately 110.

Notes to Financial Statements

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

**Land Held for Development** (continued)

Additionally, OOC has previously purchased land, in the Town of Volney, to form the Oswego County Airport Industrial Park. In 2024, OOC sold approximately 4 acres for approximately \$17,500 recognizing a gain on the sale of land of approximately \$17,000. The remaining undeveloped acreage of the Oswego County Airport Industrial Park as of December 31, 2025 and 2024 is approximately 130. 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.

**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 have 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.

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

**Notes to Financial Statements**

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

**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 limits of \$250,000 at various points throughout the year.

The Organizations' derived approximately 61% and 75% of its revenues from the County of Oswego and County of Oswego Industrial Development Agency for the years ended December 31, 2025 and 2024, 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 \$56,500 and \$44,100 for 2025 and 2024, respectively.

**2. Loans Receivable, net**

OOC held the following loans receivable at December 31:

	2025	2024
K&N Foods USA (a)	\$ -	\$ 402,777
Town of Schroepfel	40,000	60,000
Holiday Inn Express	8,019	31,487
Universal Metal Works	-	20,830
Northland Filter International, LLC	217,376	294,940
Market House Oswego, LLC	92,018	100,000
Think Variant, Inc.	110,860	131,297
COVID-19 Emergency Relief Loans	10,509	11,761
15 Culvert Street, LLC	100,000	-
RTV Holdings, LLC	147,166	-
	725,948	1,053,092
Less: allowance for uncollectable loans receivable (see Note 3)	(24,818)	(211,769)
	\$ 701,130	\$ 841,323

These loans receivable primarily relate to corresponding notes payable described in Note 5 in which OOC received funds from the IDA and subsequently loaned the funds to the respective borrowers. Repayment of the loans is consistent with the terms described in Note 5.

(a) In 2025, OOC assigned this loan receivable to the IDA, relieving the receivable, corresponding payable and related allowance for uncollectable loans receivable. See Note 5.

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

**Notes to Financial Statements**

**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 bad debt expense recognized in 2025 of approximately \$14,300. There was no bad debt expense recognized in 2024. Management recognized a reduction in loans receivable and corresponding unpaid debt obligations of approximately \$24,800 and \$211,800 in 2025 and 2024, respectively, to reflect these potentially uncollectible amounts.

**4. Property and Improvements**

Property and improvements consist of the following at December 31:

	Balance at 12/31/2024	Additions	Disposals	Balance at 12/31/2025
Property and improvements	\$ 2,514,044	\$ -	\$ 685,185	\$ 1,828,859
Construction in progress	-	122,261	-	122,261
Furniture and equipment	80,777	-	-	80,777
	<u>2,594,821</u>	<u>122,261</u>	<u>685,185</u>	<u>2,031,897</u>
Accumulated depreciation	<u>(2,074,592)</u>	<u>(52,467)</u>	<u>(606,126)</u>	<u>(1,520,933)</u>
	<u>\$ 520,229</u>	<u>\$ 69,794</u>	<u>\$ 79,059</u>	<u>\$ 510,964</u>

In December 2025, OOC sold a building at 185 East Seneca Street for \$450,000. OOC recognized a gain on the sale of approximately \$362,500.

**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:

	2025	2024
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.	\$ 198,843	\$ 221,268
 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 \$2,778 beginning on June 30, 2019. Payments resumed on June 30, 2023, subsequent to deferral. As described in Note 3, the County of Oswego Industrial Development Agency agreed to assume OOC's loan receivable from K&N Foods USA on 3/27/2025 relieving this long-term debt balance in full.	-	433,333
 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 31, 2025 and 2024. In addition, any unlent principal will be returned at a mutually agreed upon date in the near future.	11,761	11,761
Less: allowance for potentially uncollectible debt obligations	(10,509)	(211,769)
	\$ 200,095	\$ 454,593

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

	2026	\$ 34,186
	2027	22,425
	2028	22,425
	2029	22,425
	2030	22,425
	2031-2035	86,718
	Total long-term debt	210,604
Less: allowance for potentially uncollectable debt obligations		(10,509)
		\$ 200,095

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, 2026, payments of \$3,114.58 due monthly. As of the date of the financial statements the organization is in discussions with the lessee regarding a lease renewal.
- Center for Instruction, Technology & Innovation: payments of \$6,256.25 due monthly 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, 2025 and 2024 approximated \$123,500 and \$162,800, respectively. Expected rental income based on current leases over the next five years as of December 31, 2025 are as follows:

2026	\$	78,889
2027		80,677
2028		<u>41,353</u>
Rental income	\$	<u>200,919</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 \$419,000 for the years ended December 31, 2025 and 2024, to OOC for space and administrative services. In 2025, the IDA paid \$75,000 to OOC for office renovations that were completed in 2026. The grant funds are included within restricted net position at December 31, 2025. At December 31, 2025 and 2024, IDA owed the Organizations approximately \$107,900 and \$105,000, 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. As described in Note 3 and Note 5, this arrangement was altered to assign the repayment of the debt directly to the IDA. 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 \$210,600 and \$666,000 for the years ended December 31, 2025 and 2024, respectively.

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

Notes to Financial Statements

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**8. Deferred Inflow of Resources**

The Organizations previously received advances from the IDA from the Economic Development Initiative Fund (EDIF). At December 31, 2025 and 2024, EDIF advances were not fully expended for committed projects and were reported as deferred inflows of resources. Revenue will be recognized as funds are expended ongoing projects and other identified needs. Total deferred inflow of resources for the Organizations at December 31, 2025 and 2024 approximated \$29,400.

**9. Deferred Outflow 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, 2025 and 2024 approximated \$17,200 and \$33,000, respectively.

**10. Subsequent Events**

Management has evaluated subsequent events through March 16, 2026, which is the date the financial statements were available to be issued. There were no other 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, 2025**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 458,633	\$ 62,541	\$ 521,174
Pension plan	49,738	6,782	56,520
Employee benefits	117,777	16,061	133,838
Accounting and legal	30,702	4,187	34,889
Payroll taxes	35,622	4,857	40,479
Supplies	15,660	2,135	17,795
Telephone	9,295	1,267	10,562
Occupancy	5,089	694	5,783
Maintenance and repairs	40,564	5,531	46,095
Printing and publications	9,498	1,295	10,793
Travel	4,283	584	4,867
Insurance	20,050	2,734	22,784
Land taxes	6,920	944	7,864
Advertising	18,028	-	18,028
Professional services	12,956	1,767	14,723
Community relations	25,248	3,443	28,691
Miscellaneous	42,390	5,780	48,170
Dues and subscriptions	27,620	3,766	31,386
Rental and development expenses	55,787	7,607	63,394
Depreciation	46,482	5,985	52,467
Bad debt expense	14,309	-	14,309
	<u>\$ 1,046,651</u>	<u>\$ 137,960</u>	<u>\$ 1,184,611</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, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 430,062	\$ 58,645	\$ 488,707
Pension plan	38,810	5,292	44,102
Employee benefits	115,417	15,739	131,156
Accounting and legal	24,762	3,377	28,139
Payroll taxes	39,720	5,416	45,136
Supplies	20,372	2,778	23,150
Telephone	7,764	1,059	8,823
Occupancy	5,763	786	6,549
Maintenance and repairs	35,575	4,851	40,426
Printing and publications	11,959	1,631	13,590
Travel	2,147	293	2,440
Insurance	11,133	1,518	12,651
Land taxes	7,063	963	8,026
Advertising	23,868	-	23,868
Community relations	26,549	3,620	30,169
Miscellaneous	35,552	4,848	40,400
Dues and subscriptions	17,417	2,375	19,792
Rental and development expenses	45,645	6,224	51,869
Depreciation	47,110	4,842	51,952
	<u>\$ 946,688</u>	<u>\$ 124,257</u>	<u>\$ 1,070,945</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, 2025**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	Combined Total
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>				
Assets:				
Cash and cash equivalents	\$ 1,516,843	\$ 39,552	\$ -	\$ 1,556,395
Accounts receivable	120,861	-	-	120,861
Deposit in loan fund	44,305	-	-	44,305
Loans receivable, net	701,130	-	-	701,130
Property and improvements, net	510,964	-	-	510,964
Land held for development	1,681,337	-	-	1,681,337
Total assets	<u>4,575,440</u>	<u>39,552</u>	<u>-</u>	<u>4,614,992</u>
Deferred outflow of resources	<u>17,195</u>	<u>-</u>	<u>-</u>	<u>17,195</u>
	<u>\$ 4,592,635</u>	<u>\$ 39,552</u>	<u>\$ -</u>	<u>\$ 4,632,187</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 65,066	\$ 1,556	\$ -	\$ 66,622
Deferred revenue	6,730	-	-	6,730
Debt obligations, net	200,095	-	-	200,095
Total liabilities	<u>271,891</u>	<u>1,556</u>	<u>-</u>	<u>273,447</u>
Deferred inflow of resources	<u>29,398</u>	<u>-</u>	<u>-</u>	<u>29,398</u>
Net investment in capital assets	510,964	-	-	510,964
Restricted net position	75,000	-	-	75,000
Unrestricted net position	3,705,382	37,996	-	3,743,378
Net position	<u>4,291,346</u>	<u>37,996</u>	<u>-</u>	<u>4,329,342</u>
	<u>\$ 4,592,635</u>	<u>\$ 39,552</u>	<u>\$ -</u>	<u>\$ 4,632,187</u>
	<i>check A=L+E</i> \$ -	\$ -	\$ -	\$ -

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**

**Year Ended December 31, 2024**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	Combined Total
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>				
Assets:				
Cash and cash equivalents	\$ 1,229,839	\$ 32,373	\$ -	\$ 1,262,212
Accounts receivable	112,725	-	-	112,725
Deposit in loan fund	44,305	-	-	44,305
Loans receivable, net	841,323	-	-	841,323
Total current assets	2,228,192	32,373	-	2,260,565
Property and improvements, net	520,229	-	-	520,229
Land held for development	1,681,337	-	-	1,681,337
Total assets	4,429,758	32,373	-	4,462,131
Deferred outflow of resources	33,046	-	-	33,046
	<u>\$ 4,462,804</u>	<u>\$ 32,373</u>	<u>\$ -</u>	<u>\$ 4,495,177</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 42,567	\$ 1,556	\$ -	\$ 44,123
Deferred revenue	11,514	-	-	11,514
Debt obligations, net	454,593	-	-	454,593
Total liabilities	508,674	1,556	-	510,230
Deferred inflow of resources	29,398	-	-	29,398
Net investment in capital assets	520,229	-	-	520,229
Unrestricted net position	3,404,503	30,817	-	3,435,320
Net position	3,924,732	30,817	-	3,955,549
	<u>\$ 4,462,804</u>	<u>\$ 32,373</u>	<u>\$ -</u>	<u>\$ 4,495,177</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 Support and Revenue, Expenses and Changes in Net Position**

**Year Ended December 31, 2025**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	<b>Combined Total</b>
<b>Support and revenue:</b>				
Local governments	\$ 883,000	\$ -	\$ -	\$ 883,000
State and other grants	85,000	-	-	85,000
Rental revenue	123,497	-	-	123,497
Service charges- loans	2,700	-	-	2,700
Interest income	73,066	7	-	73,073
Event income	-	27,093	-	27,093
Sponsorship income	-	1,500	-	1,500
Gain on sale of land	362,541	-	-	362,541
<b>Total support and revenue</b>	<b>1,529,804</b>	<b>28,600</b>	<b>-</b>	<b>1,558,404</b>
<b>Expenses:</b>				
Program expenses	979,578	20,591	-	1,000,169
Rental depreciation expense	46,482	-	-	46,482
Management and general	131,145	830	-	131,975
Management and general depreciation expense	5,985	-	-	5,985
<b>Total operating expenses</b>	<b>1,163,190</b>	<b>21,421</b>	<b>-</b>	<b>1,184,611</b>
Change in net position	366,614	7,179	-	373,793
<b>Net position at beginning of year</b>	<b>3,924,732</b>	<b>30,817</b>	<b>-</b>	<b>3,955,549</b>
<b>Net position at end of year</b>	<b>\$ 4,291,346</b>	<b>\$ 37,996</b>	<b>\$ -</b>	<b>\$ 4,329,342</b>

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

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

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

**Year Ended December 31, 2024**

	Operation Oswego County, Inc.	Operation Oswego County Foundation, Inc.	Combining Entries	<b>Combined Total</b>
<b>Support and revenue:</b>				
Local governments	\$ 836,100	\$ -	\$ -	\$ 836,100
State and other grants	1,202	-	-	1,202
Rental revenue	162,799	-	-	162,799
Service charges- loans	2,700	-	-	2,700
Interest income	51,709	7	-	51,716
Event income	-	11,719	-	11,719
Sponsorship income	-	750	-	750
Gain on sale of land	32,228	-	-	32,228
Miscellaneous	-	6,000	-	6,000
<b>Total support and revenue</b>	<b>1,086,738</b>	<b>18,476</b>	<b>-</b>	<b>1,105,214</b>
<b>Expenses:</b>				
Program expenses	879,750	19,828	-	899,578
Rental depreciation expense	47,110	-	-	47,110
Management and general	118,855	560	-	119,415
Management and general depreciation expense	4,842	-	-	4,842
<b>Total operating expenses</b>	<b>1,050,557</b>	<b>20,388</b>	<b>-</b>	<b>1,070,945</b>
Change in net position	36,181	(1,912)	-	34,269
<b>Net position at beginning of year</b>	<b>3,888,551</b>	<b>32,729</b>	<b>-</b>	<b>3,921,280</b>
<b>Net position at end of year</b>	<b>\$ 3,924,732</b>	<b>\$ 30,817</b>	<b>\$ -</b>	<b>\$ 3,955,549</b>

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.  
Oswego, New York

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, 2025, and the related notes to the financial statements, which collectively comprise the Organizations' basic financial statements, and have issued our report thereon dated March 16, 2026.

***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.

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

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



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

As part of obtaining reasonable assurance about whether 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grossman St Amour CPAs*

Syracuse, New York

March 16, 2026