GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

For the Year Ended December 31, 2022

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

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D'Arcangelo & Co., LLP
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Independent Auditor's Report

Board of Directors
Griffiss Local Development Corporation and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Griffiss Local Development Corporation (a nonprofit organization) and subsidiaries, Cardinal Griffiss Realty, LLC, and 99 Otis Street, LLC, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Griffiss Local Development Corporation and subsidiaries as of December 31, 2022 and 2021, 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. 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 Griffiss Local Development Corporation and subsidiaries 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.

Adoption of New Accounting Standard

As discussed in Note 1 and Note 14 to the consolidated financial statements, in 2022, Griffiss Local Development Corporation and subsidiaries adopted ASU 2016-02, *"Leases (Topic 842)"*, as amended. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Griffiss Local Development Corporation and subsidiaries ability to continue as a going concern within 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 consolidated 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Griffiss Local Development Corporation and subsidiaries 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.

Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

D'Arcangelo + Co., LLP

March 30, 2023

Rome, New York

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	$ 3,929,430	$ 3,876,729
Accounts Receivable, Net	185,481	140,963
Due from Related Organization	53,635	20,803
Grants Receivable	1,250,000	0
Participation Note Receivable - Current	7,151	583
Prepaid Assets - Current	55,617	49,248
Lease Receivable - Current	45,491	0
Total Current Assets	5,526,805	4,088,326
Property		
Land	2,845,523	2,990,471
Construction in Progress	138,172	0
Building and Site Improvements	41,490,594	41,409,641
Roadways and Improvements	5,203,440	5,203,440
Railways and Improvements	1,686,767	1,686,767
Utility Improvements	582,831	582,831
Signage	230,672	230,672
Furniture, Fixtures, and Equipment	1,029,250	1,000,733
Vehicles and Automotive Equipment	280,676	272,314
Total Property	53,487,925	53,376,869
Accumulated Depreciation	(30,423,829)	(29,001,302)
Net Property	23,064,096	24,375,567
Other Long-Term Assets		
Lease Receivable	282,224	0
Participation Note Receivable	135,771	142,922
Lease Acquisition Costs, Net	243,433	342,291
Project Costs, Net	5,241,592	5,423,058
Goodwill	132,000	132,000
Total Other Long-Term Assets	6,035,020	6,040,271
Total Assets	$ 34,625,921	$ 34,504,164

(Continued)

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

(Continued)

	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 1,557,281	$ 161,987
Due to Related Organization	66,246	45,854
Deferred Revenue	169,114	189,612
Current Maturities of Long-Term Debt	806,089	717,941
Total Current Liabilities	2,598,730	1,115,394
Long-Term Liabilities		
Capital Improvement Reserve	424,511	415,974
Railroad Improvement Fund	75,000	69,000
Skyline Gateway Redevelopment Fund	194,879	0
Compensated Absences	39,857	35,667
Long-Term Debt	11,619,558	12,477,821
Total Long-Term Liabilities	12,353,805	12,998,462
Net Assets		
Net Assets without Donor Restrictions		
Controlling Interests	17,914,715	18,677,671
Noncontrolling Interests	1,758,671	1,712,637
Total Net Assets	19,673,386	20,390,308
Total Liabilities and Net Assets	$ 34,625,921	$ 34,504,164

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue, Gains and Support		
Building Lease Income	$ 3,456,392	$ 3,422,704
Other Lease Related Income	412,389	385,810
New York State Grant	1,250,000	0
Snowplowing and Lawn Maintenance	316,339	317,926
Payments In Lieu of Taxes	353,596	181,719
Reimbursements and Refunds	46,838	43,400
Interest Income	8,288	1,244
Other Income	141,064	174,367
Total Revenue, Gains and Support	5,984,906	4,527,170
Expenses		
Program Services		
Redevelopment and Leasing	4,823,487	3,181,674
Marketing and Promotion	49,064	54,460
Supporting Services		
Management and General	349,331	471,481
Total Expenses	5,221,882	3,707,615
Increase in Net Assets Before Other Changes	763,024	819,555
Other Changes		
Depreciation and Amortization Expense	(1,752,529)	(1,701,850)
Net (Loss) on Sales of Property	(40,074)	(87,532)
Total Other Changes	(1,792,603)	(1,789,382)
(Decrease) in Net Assets	(1,029,579)	(969,827)
Net Assets, Beginning of Year	20,390,308	21,360,135
Cumulative Effect of Change in Accounting Principle	312,657	0
Net Assets, Beginning of Year (Restated)	20,702,965	21,360,135
Net Assets, End of Year	$ 19,673,386	$ 20,390,308

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022
(With Comparative Totals For the Year Ended December 31, 2021)

	Program Services		Supporting Services	Total	
	Redevelopment and Leasing	Marketing and Promotion	Management and General	2022	2021
Salaries	$ 614,799	$ 0	$ 23,005	$ 637,804	$ 585,879
Employee Benefits	154,463	0	5,946	160,409	138,628
Payroll Taxes	50,695	0	1,951	52,646	48,573
Professional Services	87,820	0	84,898	172,718	186,737
Outside Consultants	107,923	0	0	107,923	108,794
Occupancy	17,342	0	1,788	19,130	18,413
Contracted Services	15,011	0	0	15,011	76,267
Insurance	109,253	0	9,504	118,757	117,318
Office Expenses	0	0	28,336	28,336	24,875
Project Related Costs	1,250,000	0	0	1,250,000	0
Service Fees	312,186	39,023	189,114	540,323	536,865
Travel	87,219	0	0	87,219	58,717
Repairs and Maintenance	408,297	0	0	408,297	440,319
Lease Related Expenses	1,024,136	0	0	1,024,136	814,646
Minor Equipment	39,765	0	0	39,765	47,099
Depreciation and Amortization	1,752,529	0	0	1,752,529	1,701,850
Interest Expense	497,683	0	0	497,683	431,698
Marketing and Advertising	0	10,041	0	10,041	10,292
Transportation Rebate	45,000	0	0	45,000	45,000
Other Expenses	1,895	0	4,789	6,684	17,495
Total Functional Expenses	$ 6,576,016	$ 49,064	$ 349,331	$ 6,974,411	$ 5,409,465

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program Services		Supporting Services	
	Redevelopment and Leasing	Marketing and Promotion	Management and General	Total
Salaries	$ 563,198	$ 0	$ 22,681	$ 585,879
Employee Benefits	132,736	0	5,892	138,628
Payroll Taxes	46,509	0	2,064	48,573
Professional Services	103,300	0	83,437	186,737
Outside Consultants	108,794	0	0	108,794
Occupancy	16,697	0	1,716	18,413
Contracted Services	76,267	0	0	76,267
Insurance	105,390	0	11,928	117,318
Office Expenses	0	0	24,875	24,875
Service Fees	177,936	44,168	314,761	536,865
Travel	58,717	0	0	58,717
Repairs and Maintenance	440,319	0	0	440,319
Lease Related Expenses	814,646	0	0	814,646
Minor Equipment	47,099	0	0	47,099
Depreciation and Amortization	1,701,850	0	0	1,701,850
Interest Expense	431,698	0	0	431,698
Marketing and Advertising	0	10,292	0	10,292
Transportation Rebate	45,000	0	0	45,000
Other Expenses	13,368	0	4,127	17,495
Total Functional Expenses	$ 4,883,524	$ 54,460	$ 471,481	$ 5,409,465

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
(Decrease) in Net Assets	$ (1,029,579)	$ (969,827)
Adjustments for Noncash Transactions		
Depreciation and Amortization	1,752,529	1,701,850
Net Loss on Sale of Property	40,074	87,532
Non-Cash Interest	13,031	59,002
(Increase) Decrease in Assets		
Accounts Receivable	(44,518)	(98,938)
Due from Related Organizations	(32,832)	1,358
Grants Receivable	(1,250,000)	100,000
Lease Receivable	(15,058)	0
Prepaid and Other Assets	(6,369)	18,050
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	1,395,294	(18,734)
Due to Related Organization	20,392	13,425
Deferred Revenue	(20,498)	77,294
Compensated Absences	4,190	6,588
Net Cash Provided by Operating Activities	826,656	977,600
Cash Flows from Investing Activities		
Proceeds on Sale of Property	116,591	543,749
Use of Capital Improvement Reserve	(3,181)	(52,000)
Participation Loans Granted	0	(143,505)
Collections on Loans	583	0
Capital Expenditures	(305,681)	(772,627)
Project Expenditures	0	(3,650,000)
Lease Acquisition Costs	0	(149,882)
Net Cash (Used) by Investing Activities	(191,688)	(4,224,265)
Cash Flows from Financing Activities		
Railroad Improvement Fund	6,000	6,000
Skyline Gateway Redevelopment Fund	194,879	0
Proceeds of Long-Term Debt	0	5,258,891
Payment of Long-Term Debt	(783,146)	(845,228)
Net Cash Provided (Used) by Financing Activities	(582,267)	4,419,663
Net Increase in Cash and Cash Equivalents	52,701	1,172,998
Cash and Cash Equivalents, Beginning of Year	3,876,729	2,703,731
Cash and Cash Equivalents, End of Year	$ 3,929,430	$ 3,876,729

Supplemental Cash Flow Disclosures

	2022	2021
Cash Paid During the Year For:		
Interest	$ 497,683	$ 431,698
Income Taxes	$ 0	$ 0
Non Cash Financing Transactions:		
GLDC Debt Refinancing (less closing costs)	$ 0	$ 1,898,793
CGR Debt Refinancing (non-cash portion less closing costs)	$ 0	$ 1,425,250

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Griffiss Local Development Corporation (GLDC) is a nonprofit organization whose primary purpose is to redevelop the former Griffiss Air Force Base in Rome, New York, and, among other things, develop the Griffiss Business and Technology Park. To accomplish this objective, GLDC maintains contact with the U.S. Air Force, Department of Defense, related Federal agencies, and other agencies of state and local government, encourages community input for redevelopment plans, borrows funds and may buy, sell, improve, maintain, and lease former base property. A significant portion of GLDC's activities are funded by revenues derived from the leasing and sale of property and related income. In addition, GLDC receives grants from New York State or its agencies. These grants are generally earmarked for capital improvements and economic development activities within the Griffiss Business and Technology Park.

Principles of Consolidation

The consolidated financial statements include the accounts of GLDC and its subsidiaries, Cardinal Griffiss Realty, LLC (CGR) and 99 Otis Street, LLC (99 Otis St.). Intercompany transactions have been eliminated.

CGR was formed during 2010 with GLDC as the 99.99% owner. The primary purpose was to acquire certain property, construct a building, and to enter into a sublease agreement with Assured Information Security, Inc. Economic Development Growth Enterprises Corporation (EDGE) holds the noncontrolling (.01%) interest in CGR.

99 Otis St. was formed during 2018 with the primary purpose of facilitating and supporting the corporate purposes of GLDC (55% member) and New York State Technology Enterprise Corporation (NYSTEC) (45% member), both New York State not-for-profit corporations, and in particular maintaining, owning, operating, developing, financing, and leasing one or more properties for the purposes of providing facilities for the provision of services to maintain, strengthen, and expand the uses and viability of the former Griffiss Air Force Base in the City of Rome, NY.

Basis of Presentation

These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The focus is on the corporation as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. This is accomplished by reporting information regarding financial position and activities according to two classes: net assets without donor restrictions or net assets with donor restrictions. At December 31, 2022 and 2021, GLDC only maintained net assets without donor restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, GLDC and its subsidiaries consider all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

Receivables are carried at unpaid balances, less an allowance for uncollectible amounts. A provision has been established for accounts receivable which may ultimately prove to be uncollectible. The basis for the provision is an analysis of current accounts. The allowance for doubtful accounts is $10,070 for each of the years ended December 31, 2022 and 2021. Grants receivable and amounts due from related organizations have been deemed to be fully collectible, therefore, an allowance has not been established.

Participation Note Receivable

The participation note receivable represents GLDC's participation in the financing provided by GLDC to Utica Industrial Development Corporation as part of a $650,000 loan to assist Orgill, Inc. with site and infrastructure work (referred to in these notes as the Orgill Project). The note is carried at unpaid principal balances less an allowance for loan losses. GLDC records interest as it is received. Management will periodically evaluate the note for collectability. Past due status is determined based on contractual terms. Currently, the note has been deemed to be fully collectible, and an allowance has not been established.

Property and Depreciation

GLDC capitalizes certain expenditures for land, building and site improvements, roadways and improvements, railways and improvements, utility improvements, signage, and vehicles and automotive equipment located in the Griffiss Business and Technology Park. GLDC also capitalizes expenditures for office equipment which exceed $5,000. Expenditures for improvements to property used in the property rental program are capitalized and depreciated over the life of the lease. All other capitalized expenditures are depreciated over the useful life of the property and recorded at historical cost if purchased or fair value if contributed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is recorded using the straight-line method as follows:

	Estimated Useful Lives
Building and Site Improvements, Roadways and Improvements, Railways and Improvements, and Utility Improvements	3-39 Years
Signage, Office Equipment, and Vehicles and Automotive Equipment	3-7 Years

CGR has recorded the total costs incurred for construction of a building. These costs included interest costs on related debt, which were capitalized prior to the building being placed in service. The building is being depreciated over 39 years, the estimated useful life, using the straight-line method of depreciation.

99 Otis St. has also recorded the total costs incurred for construction of a building. These costs included interest costs on related debt, which were capitalized prior to the building being placed in service. The building is being depreciated over 39 years, the estimated useful life, using the straight-line method of depreciation.

Depreciation expense amounted to $1,472,206 and $1,408,068 for the years ended December 31, 2022 and 2021, respectively.

Project Costs

Sovena USA

GLDC has developed and financed a portion of the infrastructure and site improvements necessary to support the Sovena USA Distribution Center (collectively the Sovena USA Project Costs) that opened in 2007 at the Griffiss Business and Technology Park. Sovena USA reimburses GLDC for these costs, which totaled $4,029,689 when the project was completed, through a PILOT. The agreement is for 25 years ending in 2032. The PILOT agreement, between Oneida County Industrial Development Agency (OCIDA) and Sovena USA required Sovena USA to pay an annual PILOT amount directly to the OCIDA each year.

Each year OCIDA reimburses GLDC in the amount equal to GLDC's annual debt service on the Sovena USA Project Cost, and then pays to each taxing jurisdiction their share of the remaining PILOT payments in accordance with a separate allocation agreement. GLDC amortizes these costs over the same 25-year period of time as the PILOT. The net balance of these costs after amortization is $1,611,870 and $1,773,058 at December 31, 2022 and 2021, respectively. Amortization expense for each of the years ended December 31, 2022 and 2021 is $161,188. The impact of the project on GLDC is revenue/expenditure neutral. Estimated amortization expense for each of the next five years is expected to be $161,188.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Orgill, Inc.

During the year ended December 31, 2021, GLDC assisted in financing the costs related to the Orgill Project, as noted above, which is located in the Griffiss Business and Technology Park. GLDC's financing of the costs was funded by two related debt agreements (See Note 7). These costs are being repaid by Orgill to OCIDA, which totaled $3,650,000 when the project was completed, as part of a PILOT involving the County of Oneida, NY, Rome City School District, City of Rome, OCIDA, and GLDC. The agreement is collateralized by two letters of credit obtained by Orgill, Inc.

Each year, OCIDA is expected to reimburse GLDC in the amount equal to GLDC's annual debt service on the project, and then pays to each taxing jurisdiction their share of the remaining PILOT payments in accordance with a separate allocation agreement. GLDC will amortize these costs over the same 15-year period of time as the debt service principal portion of the allocation agreement, which started in 2022. The net balance of these costs after amortization is $3,629,722 and $3,650,000 at each of the years ended December 31, 2022 and 2021, respectively. Amortization expense for the year ended December 31, 2022, the first year of amortization, is $20,278. The impact of the project on GLDC is revenue/expenditure neutral. Estimated amortization expense for each of the next five years is expected to be $243,336.

Goodwill

Intangible assets not subject to amortization consist of goodwill in the amount of $132,000 obtained through acquisition of a business during 2011. Goodwill is tested for impairment annually. No adjustments were made for impairment losses for each of the years ended December 31, 2022 and 2021.

Deferred Revenue

Income from rental property received in advance is deferred and recognized in the period to which it relates.

Capital Improvement Reserve

GLDC has established a Capital Improvement Reserve Fund, which is funded with proceeds from the first sale of certain property within the Griffiss Business and Technology Park. A specific allocation of proceeds from those sales is deferred in accordance with an agreement in place. Amounts in the reserve will be used to help defray the cost of certain future capital improvements to be made to premises and/or facilities located within the boundaries of the Business Park including capital improvements to the public infrastructure. Revenue will be recognized when these performance obligations have been met. Revenue recognized from the use of this reserve during the year ended December 31, 2022 and 2021 was $3,181 and $52,000, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Skyline Gateway Redevelopment Fund

GLDC has also established a Skyline Gateway Redevelopment Fund, which is funded with certain proceeds of the Orgill, Inc. PILOT Allocation agreement mentioned above. Revenue from those certain proceeds received are deferred in accordance with the agreement in place. The fund is administered by GLDC and amounts in the reserve will be used to finance, refinance, or fund certain costs associated with the acquisition of certain project property, as well as the design, engineering, installation, and/or construction of certain improvements or development costs. Revenue will be recognized when these performance obligations have been met.

Lease Acquisition Costs

Lease acquisition costs in the amount of $697,609 for each of the years ended December 31, 2022 and 2021, have been incurred as part of GLDC's and 99 Otis Street's activities as lessor. These costs have been capitalized and are being amortized over the original term of the related leases. Accumulated amortization on these costs is $454,176 and $355,318 at December 31, 2022 and 2021, respectively. Amortization expense for the years ended December 31, 2022 and 2021 is $98,857 and $132,594, respectively. Estimated amortization expense over the next 5 years is expected to be:

Year Ended December 31:	
2023	$ 91,162
2024	$ 54,150
2025	$ 52,168
2026	$ 32,845
2027	$ 13,107

Revenue Recognition

The following policies apply to major categories of revenue transactions with customers which include snowplowing, lawn maintenance, common area maintenance charges included in the lease agreements, payments in lieu of taxes, and sale of property:

- GLDC recognizes revenue based on a fixed monthly transaction price for snowplowing and lawn maintenance as they have satisfied a performance obligation by providing a service to the customer. Revenue is recognized as customers are billed monthly.
- GLDC bills and recognizes revenue on a monthly basis for common area maintenance charges and payments in lieu of taxes based on agreements in place with customers. These amounts are included in the same invoice as leases, but allocated and recognized separately.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GLDC recognizes revenue from sales of property when full control of the property is transferred to the buyer at closing. Deposits may be required in advance and final payment or financing is due at closing. A gain or loss may be recognized for the difference between the consideration received and the asset's carrying amount, if applicable.
- Agreement terms with customers generally do not include any obligations to perform future services.
- There is currently no concentration of credit risk related to customers.
- Historically, impairment losses on accounts receivable have not been material relating to any of these revenue streams.

The timing of revenue recognition, billings, and cash collections noted above results in billed accounts receivable and deferred revenue (contract liabilities), excluding deferred lease revenue. GLDC, CGR and 99 Otis Street all do not have unbilled receivables (contract assets). Amounts are billed upon completion of the service, generally at the time of revenue recognition.

The beginning and ending receivable and contract balances at December 31, were as follows:

	2022	2021	2020
Accounts Receivable			
Customer Accounts Receivable, Net	$ 80,226	$ 40,185	$ 64,186
Sovena PILOT Receivable	158,890	121,581	0
Total Accounts Receivable	$ 239,116	$ 161,766	$ 64,186
Deferred Revenues			
Property Purchase Deposits	$ 8,889	$ 13,333	$ 13,333
Deferred Revenue – CAM	2,881	3,843	2,558
Deferred Revenue – PILOT	8,199	11,766	3,735
Total Deferred Revenues	$ 19,969	$ 28,942	$ 19,626

A portion of GLDC's revenue is derived from cost-reimbursable federal, state, and local grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GLDC has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Advertising

All advertising costs are expensed as incurred. For the years ended December 31, 2022 and 2021, amounts expensed to advertising and promotion totaled $10,041 and $10,292, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation, payroll taxes, employee benefits and service fees, which are allocated on the basis of estimates of time and effort. Other expenses are directly classified among the following program and supporting services:

Redevelopment and Leasing - All expenses necessary for the planning and implementation of the redevelopment of real estate within the Griffiss Business and Technology Park.

Marketing and Promotion - All expenses attributable to the marketing and promotion of the Griffiss Business and Technology Park facilities.

Management and General - All administrative expenses necessary to operate GLDC which are not specifically identifiable to program services.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Adoption of New Accounting Standard

During 2022, GLDC and its subsidiaries adopted ASU No. 2016-02, *Leases (Topic 842),* as amended, primarily for lessor accounting. Under this standard, certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, *Revenue from Contracts with Customers*. For operating leases, this requires the lessor to recognize lease income on a straight-line basis. Initial direct costs continue to be deferred and amortized over the lease term.

GLDC and its subsidiaries have elected to adopt the standard and its amendments using the transition method, which is applied retrospectively at the beginning of the period of adoption (2022) through a cumulative-effect adjustment. Note 14 provides additional information.

NOTE 2 INCOME TAXES

GLDC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and utilizes December 31 as its year end. The Corporation has also been determined to be other than a private foundation, as it is an organization described in Section 509(a)(1) of the Internal Revenue Code. As such, no provision for income taxes is reflected in the financial statements.

Cardinal Griffiss Realty, LLC is considered a disregarded entity and is not subject to income taxes. Consequently, no provision for income taxes is required in the accompanying consolidated financial statements.

NOTE 2 INCOME TAXES (Continued)

99 Otis Street, LLC is a New York State limited liability company and has elected to be treated as a partnership for income tax purposes. Any taxable income would flow through to the members. Consequently, no provision for income taxes is required in the accompanying consolidated financial statements.

NOTE 3 LIQUIDITY AND AVAILABILITY OF FUNDS

At December 31, 2022, GLDC and its subsidiaries had $4,731,307 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of $3,929,430, less amounts for the capital improvement reserve of $424,511, the railroad improvement fund of $75,000, and the skyline gateway redevelopment fund of $194,879, and receivables of $1,496,267. At December 31, 2021, GLDC and its subsidiaries had $3,554,104 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of $3,876,729, less amounts for the capital improvement reserve of $415,974 and the railroad improvement fund of $69,000, and receivables of $162,349. There are no other financial assets that are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet dates. For each year, the receivables are subject to time restrictions but are expected to be collected within one year.

GLDC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, GLDC invests cash in excess of daily requirements in various short-term investments including certificate of deposits and money market accounts. As more fully described in Note 6, GLDC also has a line of credit in the amount of $1.5 million, of which the full amount is available on December 31, 2022, and which it could draw upon in the event of an unanticipated liquidity need.

NOTE 4 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject GLDC and its subsidiaries to a concentration of credit risk consist principally of cash and notes receivable. GLDC maintained bank accounts at three financial institutions which were in excess of Federal Deposit Insurance Corporation (FDIC) coverage limits at December 31, 2022 and 2021; however management considers this to be a normal business risk.

Concentrations of credit risk with respect to notes receivable arise from the fact that all notes receivable pertain to companies operating in the local community and, therefore, may be adversely affected by changes in the local economy. GLDC requires collateral on all notes to the fullest extent possible.

NOTE 5 PROPERTY/BUILDING LEASES

The United States Air Force (USAF) conveyed various buildings and property located in the Griffiss Business and Technology Park to OCIDA. GLDC leases back this property from OCIDA pursuant to various leases at de minimis amounts. GLDC also has the right to obtain the fee title to the leased property at any time for nominal consideration and to sublease these parcels.

NOTE 5 PROPERTY/BUILDING LEASES (Continued)

GLDC subleases the commercial space to several third parties under noncancelable operating leases. The terms of the leases range from 1 to 55 years with various renewal options with lease payments ranging from $6,000 to $344,747 annually over the terms of the leases. There are no variable lease payments. Leases do not transfer ownership of the underlying assets to the lessee. Total lease income received for the years ended December 31, 2022 and 2021 was $1,769,207 and $1,790,296, respectively.

The determination of whether an arrangement is a lease is made at the lease's inception. GLDC will only reassess if the terms and conditions of the contract are changed. Many of the lease contracts contain separate fee requirements for common area maintenance and other service fees. Under FASB ASC 842, these services are considered a nonlease component which GLDC recognizes and accounts for separately under revenue recognition standards (See Note 1).

It is management's policy to calculate depreciation and residual value annually. To minimize risk, management continually monitors the market, as well as other economic and industry factors that may have an impact on the residual values of leased assets. The assets are also covered by fire, liability, and property and casualty insurance and are subject to periodic inspection on an as needed basis.

The following is an analysis of the carrying amounts of the underlying buildings and building improvements relating to the operating leases at December 31:

Category	2022	2021
Buildings	$ 5,830,488	$ 5,830,488
Building Improvements	17,389,569	17,308,616
Accumulated Depreciation	(18,229,405)	(17,519,801)
	$ 4,990,652	$ 5,619,303

The estimated future minimum sublease payments to be received by GLDC are as follows:

Year	Lease Income
2023	$ 1,700,128
2024	984,380
2025	342,678
2026	133,304
2027	133,919
Thereafter	1,247,194
Total	$ 4,541,603

CGR is sub-leasing space in a 46,305 square foot building constructed at 153 Brooks Road, Rome, NY to Assured Information Security, Inc. The operating lease, which is non-cancelable, is for an original term of 15 years and contains 2 options to renew the lease in 5-year increments.

NOTE 5 PROPERTY/BUILDING LEASES (Continued)

During the year ended December 31, 2017, CGR commenced sub-leasing of additional space to the same company and in the same building. The original term of this additional sub-lease is through October 31, 2026 and contains 2 options to renew the lease in 5-year increments.

Lease income for the years ended December 31, 2022 and 2021 was $1,019,509 and $1,047,269, respectively.

The following is an analysis of the carrying amounts of the underlying building and building improvements relating to the operating lease at December 31:

Category	2022	2021
Building	$ 8,676,775	$ 8,676,775
Building Improvements	821,330	821,330
Accumulated Depreciation	(2,595,834)	(2,350,797)
	$ 6,902,271	$ 7,147,308

The estimated future minimum sublease payments to be received by CGR are as follows:

Year	Lease Income
2023	$ 1,047,269
2024	1,047,269
2025	1,047,269
2026	872,725
Total	$ 4,014,532

CGR, as tenant, is concurrently leasing the same location from OCIDA, as landlord, for $500 per year.

On October 1, 2019, 99 Otis St. commenced subleasing the second floor of a 32,110 square foot building at 99 Otis St, Rome, NY to NYSTEC. The operating lease, which is non-cancelable, is for an original term of 10 years and contains 2 options to renew the lease in 5-year increments.

On March 1, 2020, 99 Otis St. commenced subleasing the first floor of the same building to a tenant. This operating lease, which is non-cancelable, is for an original term of 7 years and 6 months and contains 2 options to renew the lease in 5-year increments.

Lease income for the years ended December 31, 2022 and 2021 was $667,676 and $585,139, respectively.

The following is an analysis of the carrying amounts of the underlying building and building improvements relating to the operating lease at December 31:

Category	2022	2021
Building	$ 6,888,084	$ 6,888,084
Building Improvements	874,694	874,694
Accumulated Depreciation	(810,376)	(500,543)
	$ 6,952,402	$ 7,262,235

NOTE 5 PROPERTY/BUILDING LEASES (Continued)

The estimated future minimum sublease payments to be received by 99 Otis St. are as follows:

Year	Lease Income
2023	$ 626,039
2024	638,787
2025	663,430
2026	670,601
2027	553,805
Thereafter	4,045,792
Total	$ 7,198,454

99 Otis St., as tenant, is concurrently leasing the same location from OCIDA, as landlord, for $750 per year.

NOTE 6 LINE OF CREDIT

GLDC has a $1.5 million unsecured line of credit with M&T Bank at a variable interest rate. The line of credit had a zero balance at each of the years ended December 31, 2022 and 2021.

NOTE 7 LONG-TERM DEBT

At December 31, 2022 and 2021, long-term debt consisted of the following:

	2022	2021
GLDC		
Loan payable to M&T Bank which is due January 9, 2027, for the purpose of site improvements, rail and roadway improvements, and certain other fees and expense related to the Sovena project. The loan is currently being repaid by monthly interest payments at 4.96% per annum and an annual principal payment of $60,000. A final lump sum principal payment will be due at maturity. The note is collateralized by a first position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Sovena USA Project as described in Note 1.	$ 582,435	$ 642,435
Loan payable to Mohawk Valley Rehabilitation Corporation due June 1, 2022, which was being repaid by monthly payments of $877, including interest at 5.00% per annum, and a lump sum principal payment of $82,674 was due June 1, 2022. This note was collateralized by a third position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Sovena USA Project as described in Note 1. The loan was paid in full during 2022.	0	85,303

NOTE 7 LONG-TERM DEBT (Continued)

	2022	2021
Loan payable to First Source Federal Credit Union due February 14, 2022 to finance a company vehicle which was collateralized by a security interest in the vehicle itself. The loan was being repaid with monthly payments of $533, including interest at 2.49% per annum. The loan was paid in full during 2022.	0	1,063
Loan payable to NBT Bank due May 1, 2028 to finance demolition and improvements to the former building 240 site and associated real property located in Griffiss Business and Technology Park in Rome, NY. The loan is secured by a mortgage on the property and related documents. It is currently being repaid with variable monthly payments in an amount needed to amortize the loan over 120 months, including a variable rate of interest, which is 6.32% and 2.16% on December 31, 2022 and 2021, respectively.	67,109	139,817
Loan payable to Mohawk Valley Rehabilitation Corporation due December 29, 2025 which was used to provide working capital. The loan is unsecured and is currently being repaid with monthly principal payments only $3,502, including interest at 2.44% per annum.	121,450	160,000
Loan payable to First Source Federal Credit Union due November 19, 2026 to finance the purchase of business equipment which is collateralized by a security interest in the equipment itself. The loan is currently being repaid with monthly payments of $2,455, including interest at 2.5% per annum, until maturity.	109,816	136,176
Participation Loan payable to Utica Industrial Development Corporation due November 8, 2031 to assist with financing the Orgill project. GLDC's share of the participation is $143,500 and is recorded as a Note Receivable. (See Note 1). The loan is collateralized by a second in line security interest in a portion of the PILOT agreement, as defined by the debt service payments section of the PILOT allocation agreement. The loan is further secured by a letter of credit from Orgill guaranteeing payments on the PILOT. GLDC was making interest-only payments until November 8, 2022. The loan is currently be repaid with monthly payments in the amount of $4,808 until maturity, including interest at 4% per annum.	647,359	650,000

NOTE 7 LONG-TERM DEBT (Continued)

	2022	2021
Loan payable to Adirondack Bank due November 8, 2032 to assist with financing the Orgill project. The loan is net of unamortized closing costs of $22,450 and $22,639 at December 31, 2022 and 2021, respectively. The loan is collateralized by a security interest in a portion of the PILOT agreement, as defined by the debt service payments section of the PILOT allocation agreement. The loan is further secured by a letter of credit from Orgill guaranteeing payments on the PILOT. GLDC was making interest-only payments until November 8, 2022. The loan is currently being repaid with monthly payments in the amount of $22,050 until maturity, including interest at 3.83% per annum.	2,965,185	2,977,361
Loan payable to Adirondack Bank due August 18, 2031 which was used to refinance various loans. The loan is net of unamortized closing costs of $43,531 and $48,554 at December 31, 2022 and 2021, respectively. The loan is collateralized by a security interest in certain property located on Daedalian Drive and Brooks Road, including assignment of leases and rents, equipment, fixtures and personal property, and certain deposit accounts. The loan is currently being repaid with monthly payments in the amount of $19,426 until maturity, including interest at 3.51% per annum.	1,697,518	1,860,396
Cardinal Griffiss Realty, LLC		
Loan payable to Adirondack Bank due September 18, 2031 which was used to refinance loans originally used to finance construction and improvements to a building, as well as to refinance a portion of the intercompany loan with GLDC noted below. The loan is net of unamortized closing costs of $14,640 and $16,329 at December 31, 2022 and 2021, respectively. The loan is collateralized by a security interest in certain property located on Brooks Road, including assignment of leases and rents, equipment, fixtures and personal property, and certain deposit accounts. The loan is currently being repaid with monthly payments in the amount of $19,505 until maturity, including interest at 3.51% per annum.	2,525,208	2,664,469

NOTE 7 LONG-TERM DEBT (Continued)

	2022	2021
99 Otis St, LLC		
Loan payable to EDGE due April 1, 2035 to assist in financing the construction of a building. The loan is net of closing costs of $10,377 and $11,219 at December 31, 2022 and 2021, respectively. It is secured by a mortgage interest in related land, building improvements, and equipment, as well as an assignment of leases and rents. It is further secured by a guaranty from GLDC and NYSTEC. The loan is currently being repaid with monthly principal and interest payments of $3,883, including interest at 4% per annum.	442,708	469,735
Loan payable to Mohawk Valley Economic Development District, Inc. due April 1, 2035 to assist in financing the construction of a building. The loan is net of closing costs of $6,438 and $6,960 at December 31, 2022 and 2021, respectively. It is secured by a mortgage interest in related land, building improvements, and equipment, as well as an assignment of leases and rents. It is further secured by a guaranty from GLDC and NYSTEC. The loan is currently being repaid with monthly principal and interest payments of $2,734, including interest at 4% per annum.	317,194	336,579
Loan payable to M&T Bank due November 20, 2030 to assist in financing the construction of a building on Otis Street located in Griffiss Business and Technology Park in Rome, NY. The loan is secured by a first lien mortgage on the fee simple estate to the premises located at 99 Otis Street, Rome, NY, a first position security interest in all fixtures, equipment and personal property affixed to, owned by 99 Otis St. and used in connection with or the operation of the premises, an assignment of leases and rents, and an assignment of contracts, plans, and permits relating to the construction. In addition, the loan is further secured by a guaranty from GLDC and NYSTEC. The loan is net of unamortized closing costs of $31,115 and $35,045 at December 31, 2022 and 2021, respectively. The loan is currently being repaid with monthly payments of $15,058, including interest at 3.38% per annum.	2,385,214	2,477,387

NOTE 7 LONG-TERM DEBT (Continued)

	2022	2021
Loan payable to M&T Bank due August 14, 2036 to assist in financing leasehold improvements for the buildout of space to a building on Otis Street located in Griffiss Business and Technology Park in Rome, NY. The loan is secured by a second lien mortgage on the fee simple estate to the premises located at 99 Otis Street, Rome, NY, a second position security interest in all fixtures, equipment and personal property affixed to, owned by 99 Otis St. and used in connection with or the operation of the premises, an assignment of leases and rents, and an assignment of contracts, plans, and permits relating to the construction. In addition, the loan is further secured by a guaranty from GLDC and NYSTEC. The loan is net of unamortized closing costs of $10,958 and $11,795 at December 31, 2022 and 2021, respectively. The loan is currently being repaid with monthly payments of $4,516, including interest at 3.38% per annum.	564,451	595,041
Total	12,425,647	13,195,762
Less: Current Maturities of Long-Term Debt	806,089	717,941
Total Long-Term Debt	$ 11,619,558	$ 12,477,821

The following are maturities of long-term debt for the next five years and thereafter:

Years	99 Otis St. Amount	CGR Amount	GLDC Amount	Total Amount
2023	$ 176,536	$ 144,360	$ 485,193	$ 806,089
2024	182,214	149,405	500,699	832,318
2025	189,500	155,108	517,770	862,378
2026	196,780	160,780	490,064	847,624
2027	204,334	166,657	761,944	1,132,935
Thereafter	2,760,203	1,748,898	3,435,202	7,944,303
Total	$ 3,709,567	$ 2,525,208	$ 6,190,872	$ 12,425,647

Amortization of loan closing costs is reported in the statements of activities as interest expense.

Interest expense on the above debt for the years ended December 31, 2022 and 2021 was $497,683 and $431,698, respectively.

As a result of the unwind of tax credit financing on September 7, 2017, GLDC was assigned a $6,622,200 note due from CGR which matures on August 31, 2040. The note was originally a portion of the financing for the Assured Information Security, Inc. project for construction of a building. The loan is secured by an assignment of mortgage, leases, and rents covering the land, building, and improvements. CGR is making monthly periodic payments on the loan. A portion of the loan was paid off as a result of CGR refinancing activity in 2021. At December 31, 2022 and 2021, the balance of the loan is $4,301,358 and $4,333,563, respectively.

All intercompany loans have been eliminated through consolidation.

NOTE 7 LONG-TERM DEBT (Continued)

The Corporation's long-term debt agreements contain certain covenants, primarily various debt service coverage ratios with one financial institution. The Corporation was not in compliance for the years ended December 31, 2022 and 2021, however, the financial institution has provided a waiver for each year.

NOTE 8 MEMBER'S EQUITY

The change in GLDC's consolidated net assets without donor restrictions attributed to the controlling and noncontrolling interest in 99 Otis St. is as follows:

	Controlling Interest	Noncontrolling Interest	Total
Balance, January 1, 2021	$ 2,131,933	$ 1,721,946	$ 3,853,879
(Deficit) of Revenue over Expenses	(11,377)	(9,309)	(20,686)
Balance, December 31, 2021	$ 2,120,556	$ 1,712,637	$ 3,833,193
Cumulative Effect of Change in Accounting Principle	63,913	52,293	116,206
Balance January 1, 2022 (Restated)	2,184,469	1,764,930	3,949,399
(Deficit) of Revenue over Expenses	(7,650)	(6,259)	(13,909)
Balance, December 31, 2022	$ 2,176,819	$ 1,758,671	$ 3,935,490

The change in GLDC's member equity attributed to Cardinal Griffiss Realty, LLC is as follows:

Balance, January 1, 2021	$ 939,626
Excess of Revenue over Expenses	130,144
Balance, December 31, 2021	$ 1,069,770
Cumulative Effect of Change in Accounting Principle	134,175
Balance January 1, 2022 (Restated)	$ 1,203,945
Excess of Revenue over Expenses	149,744
Balance, December 31, 2022	$ 1,353,689

NOTE 9 PENSION PLAN

GLDC contributes to a defined contribution pension plan for all of its employees. Employees are eligible for immediate membership in the plan but will not become fully vested until completion of 1 year of service. Contributions paid to the plan are based upon 10% of participants' compensation. The amount of contributions paid to the plan on behalf of the employees of GLDC for 2022 and 2021 amounted to $55,237 and $48,220, respectively. At December 31, 2022 and 2021, GLDC had unpaid contributions due to the plan in the amount of $2,356 and $1,953, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS

Griffiss Utility Services Corporation (GUSC) is a 509(a)(3) supporting organization of GLDC, which by definition is considered a related party. GUSC reimburses GLDC for various costs incurred for operational work, which totaled $131,445 and $126,441, respectively, for the years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, GLDC had amounts due from Griffiss Utility Services Corporation (GUSC) of $53,635 and $20,803, respectively.

GLDC, CGR, and 99 Otis St. pay GUSC for steam and electric costs incurred for their leased properties. Utility expenses for the years ended December 31, 2022 and 2021 was $499,560 and $349,539, respectively. At December 31, 2022 and 2021, GLDC, CGR and 99 Otis St. had amounts due to GUSC of $66,246 and $45,854, respectively.

NOTE 11 GRANT CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment principally by the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although GLDC expects such amounts, if any, to be immaterial.

NOTE 12 OTHER CONTINGENCIES

GLDC has entered into various commercial agreements including loan agreements, real property sales agreements, leases (as either a tenant or a landlord), and other agreements pursuant to which it has agreed to indemnify the other party or parties. For the most part, the indemnities granted by GLDC cover premises liability-related matters, including environmental matters, and are considered by GLDC to be either commercially required or commercially reasonable under the circumstances of the transaction in question. With respect to most, but not all, of these indemnities, GLDC has arranged for liability insurance, including environmental liability insurance, in an amount it deems adequate (less applicable deductibles) to cover its potential exposure under such indemnities.

NOTE 13 CLASSIFICATION OF EXPENSES

The statement of activities presents expenses by functional classification with depreciation (and other changes) presented separately. The classification of expenses by function with depreciation included as a program service, which reconciles to the statement of functional expenses, is as follows:

	2022	2021
Program Services		
Redevelopment and Leasing	$ 6,576,016	$ 4,883,524
Marketing and Promotion	49,064	54,460
Supporting Services		
Management and General	349,331	471,481
Total Expenses	$ 6,974,411	$ 5,409,465

NOTE 14 CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

As a result of adopting the new standards for lessor accounting under ASU No. 2016-02, *Leases (Topic 842)*, effective January 1, 2022, GLDC and its subsidiaries recorded a lease receivable of $327,715, lease revenue for the year ended December 31, 2022 was increased by $15,058, and recorded a cumulative effect adjustment (increase) to beginning net assets at January 1, 2022 of $312,657.

NOTE 15 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 30, 2023, the date on which the consolidated financial statements were available to be issued.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2022

	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
Assets						
Current Assets						
Cash and Cash Equivalents	$ 3,039,675	$ 541,683	$ 344,116	$ 3,925,474	$ 3,956	$ 3,929,430
Accounts Receivable, Net	174,487	0	10,994	185,481	0	185,481
Due from Related Organizations	87,386	0	0	87,386	(33,751)	53,635
Grants Receivable	1,250,000	0	0	1,250,000	0	1,250,000
Participation Note Receivable - Current	7,151	0	0	7,151	0	7,151
Prepaid Assets - Current	39,031	300	16,286	55,617	0	55,617
Lease Receivable - Current	17,731	27,760	0	45,491	0	45,491
Total Current Assets	4,615,461	569,743	371,396	5,556,600	(29,795)	5,526,805
Property						
Land	2,158,023	562,500	125,000	2,845,523	0	2,845,523
Construction in Progress	125,672	12,500	0	138,172	0	138,172
Buildings and Site Improvements	24,220,785	9,507,031	7,762,778	41,490,594	0	41,490,594
Roadways and Improvements	5,203,440	0	0	5,203,440	0	5,203,440
Railways and Improvements	1,686,767	0	0	1,686,767	0	1,686,767
Utility Improvements	582,831	0	0	582,831	0	582,831
Signage	223,276	7,396	0	230,672	0	230,672
Furniture, Fixtures, and Equipment	882,846	125,000	21,404	1,029,250	0	1,029,250
Vehicles and Automotive Equipment	280,676	0	0	280,676	0	280,676
Total Property	35,364,316	10,214,427	7,909,182	53,487,925	0	53,487,925
Accumulated Depreciation	(26,974,798)	(2,635,855)	(813,176)	(30,423,829)	0	(30,423,829)
Net Property	8,389,518	7,578,572	7,096,006	23,064,096	0	23,064,096
Other Long-Term Assets						
Investment in Subsidiaries	3,212,800	0	0	3,212,800	(3,212,800)	0
Note Receivable from Related Organization	4,301,358	0	0	4,301,358	(4,301,358)	0
Lease Receivable	38,995	78,655	164,574	282,224	0	282,224
Participation Note Receivable	135,771	0	0	135,771	0	135,771
Lease Acquisition Costs, Net	151,688	0	91,745	243,433	0	243,433
Project Costs, Net	5,241,592	0	0	5,241,592	0	5,241,592
Goodwill	132,000	0	0	132,000	0	132,000
Total Other Long-Term Assets	13,214,204	78,655	256,319	13,549,178	(7,514,158)	6,035,020
Total Assets	$ 26,219,183	$ 8,226,970	$ 7,723,721	$ 42,169,874	$ (7,543,953)	$ 34,625,921
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable and Accrued Expenses	$ 1,535,774	$ 5,028	$ 16,479	$ 1,557,281	$ 0	$ 1,557,281
Due to Related Organization	44,926	41,687	9,428	96,041	(29,795)	66,246
Deferred Revenue	116,357	0	52,757	169,114	0	169,114
Current Maturities of Long-Term Debt	485,193	144,360	176,536	806,089	0	806,089
Total Current Liabilities	2,182,250	191,075	255,200	2,628,525	(29,795)	2,598,730
Long-Term Liabilities						
Capital Improvement Reserve	424,511	0	0	424,511	0	424,511
Railroad Improvement Fund	75,000	0	0	75,000	0	75,000
Skyline Gateway Redevelopment Fund	194,879	0	0	194,879	0	194,879
Compensated Absences	39,857	0	0	39,857	0	39,857
Long-Term Debt	5,705,679	6,682,206	3,533,031	15,920,916	(4,301,358)	11,619,558
Total Long-Term Liabilities	6,439,926	6,682,206	3,533,031	16,655,163	(4,301,358)	12,353,805
Net Assets						
Members' Equity	0	1,353,689	3,935,490	5,289,179	(3,212,800)	2,076,379
Net Assets without Donor Restrictions	17,597,007	0	0	17,597,007	0	17,597,007
Total Net Assets	17,597,007	1,353,689	3,935,490	22,886,186	(3,212,800)	19,673,386
Total Liabilities and Net Assets	$ 26,219,183	$ 8,226,970	$ 7,723,721	$ 42,169,874	$ (7,543,953)	$ 34,625,921

See Independent Auditor's Report.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2022

	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
Revenue, Gains and Support						
Building Lease Income	$ 1,769,207	$ 1,019,509	$ 667,676	$ 3,456,392	$ 0	$ 3,456,392
Other Lease Related Income	381,687	20,819	9,883	412,389	0	412,389
New York State Grant	1,250,000	0	0	1,250,000	0	1,250,000
Interest Income	7,879	385	24	8,288	0	8,288
Payments In Lieu of Taxes	353,596	0	0	353,596	0	353,596
Project Development Fees	105,853	0	0	105,853	(105,853)	0
Reimbursements and Refunds	46,838	0	0	46,838	0	46,838
Snowplowing and Lawn Maintenance	369,380	0	0	369,380	(53,041)	316,339
Other Income	176,986	0	0	176,986	(35,922)	141,064
Total Revenue and Support	4,461,426	1,040,713	677,583	6,179,722	(194,816)	5,984,906
Expenses						
Program Services						
Redevelopment and Leasing	4,052,564	620,533	345,206	5,018,303	(194,816)	4,823,487
Marketing and Promotion	49,064	0	0	49,064	0	49,064
Supporting Services						
Management and General	321,296	14,043	13,992	349,331	0	349,331
Total Expenses	4,422,924	634,576	359,198	5,416,698	(194,816)	5,221,882
Increase in Net Assets Before Other Changes	38,502	406,137	318,385	763,024	0	763,024
Other Changes						
Depreciation and Amortization Expense	(1,163,842)	(256,393)	(332,294)	(1,752,529)	0	(1,752,529)
Net (Loss) on Sales of Property	(40,074)	0	0	(40,074)	0	(40,074)
Total Other Changes	(1,203,916)	(256,393)	(332,294)	(1,792,603)	0	(1,792,603)
Increase (Decrease) in Net Assets	(1,165,414)	149,744	(13,909)	(1,029,579)	0	(1,029,579)
Net Assets, Beginning of Year	18,700,145	1,069,770	3,833,193	23,603,108	(3,212,800)	20,390,308
Cumulative Effect of Change in Accounting Principle	62,276	134,175	116,206	312,657	0	312,657
Net Assets, Beginning of Year (Restated)	18,762,421	1,203,945	3,949,399	23,915,765	(3,212,800)	20,702,965
Net Assets, End of Year	$ 17,597,007	$ 1,353,689	$ 3,935,490	$ 22,886,186	$ (3,212,800)	$ 19,673,386

See Independent Auditor's Report.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2021

	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
Assets						
Current Assets						
Cash and Cash Equivalents	$ 3,284,433	$ 290,280	$ 270,970	$ 3,845,683	$ 31,046	$ 3,876,729
Accounts Receivable, Net	132,888	0	8,075	140,963	0	140,963
Due from Related Organizations	90,452	0	0	90,452	(69,649)	20,803
Prepaid Assets - Current	18,389	11,244	24,801	54,434	(5,186)	49,248
Participation Note Receivable - Current	583	0	0	583	0	583
Total Current Assets	3,526,745	301,524	303,846	4,132,115	(43,789)	4,088,326
Property						
Land	2,302,971	562,500	125,000	2,990,471	0	2,990,471
Building and Site Improvements	24,139,832	9,507,031	7,762,778	41,409,641	0	41,409,641
Roadways and Improvements	5,203,440	0	0	5,203,440	0	5,203,440
Railways and Improvements	1,686,767	0	0	1,686,767	0	1,686,767
Utility Improvements	582,831	0	0	582,831	0	582,831
Signage	223,276	7,396	0	230,672	0	230,672
Furniture, Fixtures, and Equipment	875,733	125,000	0	1,000,733	0	1,000,733
Vehicles and Automotive Equipment	272,314	0	0	272,314	0	272,314
Total Property	35,287,164	10,201,927	7,887,778	53,376,869	0	53,376,869
Accumulated Depreciation	(26,121,297)	(2,379,462)	(500,543)	(29,001,302)	0	(29,001,302)
Net Property	9,165,867	7,822,465	7,387,235	24,375,567	0	24,375,567
Other Long-Term Assets						
Investment in Subsidiary	3,212,800	0	0	3,212,800	(3,212,800)	0
Note Receivable from Related Organization	4,333,563	0	0	4,333,563	(4,333,563)	0
Participation Note Receivable	142,922	0	0	142,922	0	142,922
Lease Acquisition Costs, Net	230,886	0	111,405	342,291	0	342,291
Project Costs, Net	5,423,058	0	0	5,423,058	0	5,423,058
Goodwill	132,000	0	0	132,000	0	132,000
Total Other Long-Term Assets	13,475,229	0	111,405	13,586,634	(7,546,363)	6,040,271
Total Assets	$ 26,167,841	$ 8,123,989	$ 7,802,486	$ 42,094,316	$ (7,590,152)	$ 34,504,164
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable and Accrued Expenses	$ 127,747	$ 4,338	$ 29,902	$ 161,987	$ 0	$ 161,987
Due to Related Organization	29,346	51,849	8,448	89,643	(43,789)	45,854
Deferred Revenue	137,411	0	52,201	189,612	0	189,612
Current Maturities of Long-Term Debt	409,473	139,261	169,207	717,941	0	717,941
Total Current Liabilities	703,977	195,448	259,758	1,159,183	(43,789)	1,115,394
Long-Term Liabilities						
Capital Improvement Reserve	415,974	0	0	415,974	0	415,974
Railroad Improvement Fund	69,000	0	0	69,000	0	69,000
Compensated Absences	35,667	0	0	35,667	0	35,667
Long-Term Debt	6,243,078	6,858,771	3,709,535	16,811,384	(4,333,563)	12,477,821
Total Long-Term Liabilities	6,763,719	6,858,771	3,709,535	17,332,025	(4,333,563)	12,998,462
Net Assets						
Member's Equity (Deficit)	0	1,069,770	3,833,193	4,902,963	(3,212,800)	1,690,163
Net Assets without Donor Restrictions	18,700,145	0	0	18,700,145	0	18,700,145
Total Net Assets	18,700,145	1,069,770	3,833,193	23,603,108	(3,212,800)	20,390,308
Total Liabilities and Net Assets	$ 26,167,841	$ 8,123,989	$ 7,802,486	$ 42,094,316	$ (7,590,152)	$ 34,504,164

See Independent Auditor's Report.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2021

	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
Revenue, Gains and Support						
Building Lease Income	$ 1,790,296	$ 1,047,269	$ 585,139	$ 3,422,704	$ 0	$ 3,422,704
Other Lease Related Income	355,108	20,819	9,883	385,810	0	385,810
Interest Income	74,636	111	6	74,753	(73,509)	1,244
Payments In Lieu of Taxes	181,719	0	0	181,719	0	181,719
Project Development Fees	105,853	0	0	105,853	(105,853)	0
Reimbursements and Refunds	43,400	0	0	43,400	0	43,400
Snowplowing and Lawn Maintenance	370,967	0	0	370,967	(53,041)	317,926
Other Income	200,788	0	0	200,788	(26,421)	174,367
Net Gain on Sales of Property	0	0	0	0	0	0
Total Revenue, Gains and Support	3,122,767	1,068,199	595,028	4,785,994	(258,824)	4,527,170
Expenses						
Program Services						
Redevelopment and Leasing	2,468,200	657,047	315,251	3,440,498	(258,824)	3,181,674
Marketing and Promotion	54,460	0	0	54,460	0	54,460
Supporting Services						
Management and General	428,144	26,843	16,494	471,481	0	471,481
Total Expenses	2,950,804	683,890	331,745	3,966,439	(258,824)	3,707,615
Increase in Net Assets Before Other Changes	171,963	384,309	263,283	819,555	0	819,555
Other Changes						
Depreciation and Amortization Expense	(1,163,716)	(254,165)	(283,969)	(1,701,850)	0	(1,701,850)
Net (Loss) on Sales of Property	(87,532)	0	0	(87,532)	0	(87,532)
Total Other Changes	(1,251,248)	(254,165)	(283,969)	(1,789,382)	0	(1,789,382)
Increase (Decrease) in Net Assets	(1,079,285)	130,144	(20,686)	(969,827)	0	(969,827)
Net Assets , Beginning of Year	19,779,430	939,626	3,853,879	24,572,935	(3,212,800)	21,360,135
Net Assets, End of Year	$ 18,700,145	$ 1,069,770	$ 3,833,193	$ 23,603,108	$ (3,212,800)	$ 20,390,308