GRIFFISS LOCAL
DEVELOPMENT
CORPORATION AND
SUBSIDIARIES

For the Year Ended
December 31, 2018

CONSOLIDATED
FINANCIAL STATEMENTS
AND SUPPLEMENTAL
SCHEDULES

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

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Independent Auditor's Report

Board of Directors
Griffiss Local Development Corporation and Subsidiaries

Report on the Financial Statements

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, 2018 and 2017, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the corporation's preparation and fair presentation of the consolidated financial statements 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 corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2018 and 2017, 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, in 2018, Griffiss Local Development Corporation and subsidiaries adopted ASU 2016-14, "*Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*." Our opinion is not modified with respect to this matter.

Report on 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, results of operations, and cash flows 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

D'Arcangelo + Co., LLP

March 28, 2019

Utica, New York

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	$ 2,994,707	$ 2,041,812
Accounts Receivable, Net	77,085	17,900
Due from Related Organizations	57,045	21,896
Grants Receivable	521,993	997,464
Prepaid and Other Assets - Current	174,271	66,979
Total Current Assets	3,825,101	3,146,051
Property		
Land	4,338,329	5,435,191
Construction in Progress	2,076,313	189,022
Building and Site Improvements	33,190,990	31,957,160
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	233,342
Furniture, Fixtures, and Equipment	633,245	595,445
Vehicles and Automotive Equipment	254,022	254,022
Total Property	48,196,609	46,137,220
Accumulated Depreciation	25,119,575	24,183,828
Net Property	23,077,034	21,953,392
Other Long-Term Assets		
Prepaid and Other Assets	49,965	74,951
Lease Acquisition Costs, Net	253,341	0
Project Costs, Net	2,256,622	2,417,810
Goodwill	132,000	132,000
Total Other Long-Term Assets	2,691,928	2,624,761
Total Assets	$ 29,594,063	$ 27,724,204

(Continued)

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

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

(Continued)

	2018	2017
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 720,746	$ 498,507
Retainage Payable	226,842	79,705
Due to Related Organization	37,561	26,952
Deferred Revenue	122,133	2,056
Lines of Credit	840,000	0
Current Maturities of Long-Term Debt	555,996	640,389
Total Current Liabilities	2,503,278	1,247,609
Long-Term Liabilities		
Capital Improvement Reserve	320,636	298,885
Compensated Absences	26,334	23,306
Construction Loan	913,405	0
Long-Term Debt	6,098,666	5,746,437
Total Long-Term Liabilities	7,359,041	6,068,628
Net Assets		
Net Assets without Donor Restrictions		
Controlling Interests	18,533,099	20,407,967
Noncontrolling Interests	1,198,645	0
Total Net Assets	19,731,744	20,407,967
Total Liabilities and Net Assets	$ 29,594,063	$ 27,724,204

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, 2018 and 2017

	2018	2017
Revenue, Gains and Support		
Building Lease Income	$ 2,689,101	$ 2,571,849
Other Lease Related Income	513,371	461,895
New York State and Local Grants	259,230	817,612
Interest Income	3,848	125,481
Payments In Lieu of Taxes	183,477	181,719
Reimbursements and Refunds	31,960	39,489
Snowplowing and Lawn Maintenance	325,056	304,912
Other Income	147,661	137,617
Gain on Sale of Property	216,204	226,457
Total Revenue, Gains and Support	4,369,908	4,867,031
Expenses		
Program Services		
Redevelopment and Leasing	3,507,593	3,867,043
Marketing and Promotion	23,769	19,316
Supporting Services		
Management and General	342,764	296,804
Total Expenses	3,874,126	4,183,163
Increase in Net Assets Before Other Changes	495,782	683,868
Other Changes		
Depreciation and Amortization Expense	(1,285,143)	(1,287,996)
(Loss) on Transfer of Land	(1,096,862)	0
Gain on Unwind of Tax Credit Financing	0	2,356,295
Equity Contribution by Noncontrolling Member of Subsidiary	1,210,000	0
Increase (Decrease) in Net Assets	(676,223)	1,752,167
Net Assets, Beginning of Year	20,407,967	18,655,800
Net Assets, End of Year	$ 19,731,744	$ 20,407,967

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, 2018
(With Comparative Totals For the Year Ended December 31, 2017)

	Program Services		Supporting Services	Total	
	Redevelopment and Leasing	Marketing and Promotion	Management and General	2018	2017
Salaries	$ 460,848	$ 0	$ 22,305	$ 483,153	$ 456,972
Employee Benefits	151,369	0	7,967	159,336	167,439
Payroll Taxes	37,365	0	1,967	39,332	37,531
Professional Services	102,296	0	53,015	155,311	127,552
Information Technology	4,800	0	299	5,099	5,302
Outside Consultants	113,489	0	0	113,489	122,328
Occupancy	0	0	17,387	17,387	14,292
Contracted Services	651,800	0	0	651,800	848,687
Insurance	88,855	0	22,728	111,583	116,293
Office Expenses	3,267	0	20,184	23,451	21,017
Service Fees	314,680	19,927	186,553	521,160	518,343
CDE Sponsor Fee	0	0	0	0	46,233
Travel	70,958	0	0	70,958	78,417
Repairs and Maintenance	401,537	0	98	401,635	400,159
Lease Related Expenses	696,990	0	0	696,990	609,683
Minor Equipment	32,750	0	0	32,750	38,564
Depreciation and Amortization	1,285,143	0	0	1,285,143	1,287,996
Interest Expense	293,038	0	0	293,038	465,661
Marketing and Advertising	7,974	3,842	0	11,816	11,835
Capital Improvement Reserve	21,751	0	0	21,751	0
Transportation Rebate	45,000	0	0	45,000	50,000
Other Expenses	8,826	0	10,261	19,087	46,855
Total Functional Expenses	$ 4,792,736	$ 23,769	$ 342,764	$ 5,159,269	$ 5,471,159

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, 2017

	Program Services		Supporting Services	
	Redevelopment and Leasing	Marketing and Promotion	Management and General	Total
Salaries	$ 437,170	$ 0	$ 19,802	$ 456,972
Employee Benefits	159,486	0	7,953	167,439
Payroll Taxes	35,748	0	1,783	37,531
Professional Services	82,269	0	45,283	127,552
Information Technology	4,800	0	502	5,302
Outside Consultants	122,328	0	0	122,328
Occupancy	0	0	14,292	14,292
Contracted Services	848,687	0	0	848,687
Insurance	93,565	0	22,728	116,293
Office Expenses	1,134	0	19,883	21,017
Service Fees	349,340	14,489	154,514	518,343
CDE Sponsor Fee	46,233	0	0	46,233
Travel	78,417	0	0	78,417
Repairs and Maintenance	400,159	0	0	400,159
Lease Related Expenses	609,683	0	0	609,683
Minor Equipment	38,564	0	0	38,564
Depreciation and Amortization	1,287,996	0	0	1,287,996
Interest Expense	465,661	0	0	465,661
Marketing and Advertising	7,008	4,827	0	11,835
Transportation Rebate	50,000	0	0	50,000
Other Expenses	36,791	0	10,064	46,855
Total Functional Expenses	$ 5,155,039	$ 19,316	$ 296,804	$ 5,471,159

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	$ (676,223)	$ 1,752,167
Adjustments for Noncash Transactions		
Depreciation and Amortization	1,285,143	1,287,996
Termination of Debt	0	(2,377,800)
Net (Gain) on Sale of Property	(216,204)	(226,457)
Loss on Transfer of Land	1,096,862	0
Non-cash Interest	3,960	56,612
Equity Contribution from Noncontrolling Member	(1,210,000)	0
(Increase) Decrease in Assets		
Accounts Receivable	(59,185)	(10,445)
Due from Related Organizations	(35,149)	354
Grants Receivable	475,471	(324,131)
Prepaid Expenditures	(82,318)	12,646
Increase (Decrease) in Liabilities		
Accounts Payable	222,239	413,741
Retainage Payable	147,137	79,705
Due to Related Organization	10,609	1,699
Deferred Revenue	120,077	(111,463)
Compensated Absences	3,028	(4,007)
Net Cash Provided by Operating Activities	1,085,447	550,617
Cash Flows Provided (Used) by Investing Activities		
Proceeds on Sale of Property	216,204	466,090
Capital Improvement Reserve	21,751	0
Capital Expenditures	(3,328,199)	(1,144,157)
Principal Collections on Capital Lease	12	40,497
Lease Acquisition Costs	(269,601)	0
Net Cash (Used) by Investing Activities	(3,359,833)	(637,570)
Cash Flows Provided (Used) by Financing Activities		
Net Borrowing (Repayments) under Lines of Credit	840,000	(583,754)
Proceeds of Long-Term Debt	1,792,954	639,256
Payment of Long-Term Debt	(615,673)	(796,523)
Equity Contribution from Noncontrolling Member	1,210,000	0
Net Cash Provided (Used) by Financing Activities	3,227,281	(741,021)
Net Increase (Decrease) in Cash and Cash Equivalents	952,895	(827,974)
Cash and Cash Equivalents, Beginning of Year	2,041,812	2,869,786
Cash and Cash Equivalents, End of Year	$ 2,994,707	$ 2,041,812

Supplemental Cash Flow Disclosures

	2018	2017
Cash Paid During the Year For:		
Interest (net of capitalized interest of $10,539 and $0 in 2018 and 2017, respectively)	$ 281,471	$ 409,049
Income Taxes	$ 0	$ 0
Non Cash Investing/Financing Transaction:		
CGR Note Payable Assigned to GLDC to pay off GLDC Note Receivable as a result of the New Market Tax Credit Unwind	$ 0	$ 6,622,200

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, 2018 and 2017, 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, 2018 and 2017. Grants receivable and notes receivable have been deemed to be fully collectible, therefore, an allowance has not been established. Interest on outstanding notes receivable is recorded as income when collected.

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. 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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. is currently incurring costs on construction of a building. These costs are being capitalized as construction in progress and include interest costs on related debt, which are being capitalized prior to the building being placed in service. The building will be depreciated once it is placed in service.

Depreciation expense amounted to $1,107,695 and $1,126,808 for the years ended December 31, 2018 and 2017, respectively.

Interest expense capitalized was $13,539 for the year ended December 31, 2018.

Project Costs

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 $2,256,622 and $2,417,810 at December 31, 2018 and 2017, respectively. Amortization expense for each of the years ended December 31, 2018 and 2017 is $161,188. The impact of the project on GLDC is revenue/expenditure neutral.

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, 2018 and 2017.

Deferred Revenue

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease Acquisition Costs

Lease acquisition costs in the amount of $269,601 for 2018 have been incurred as part of GLDC's activity as lessor. These costs have been capitalized and are being amortized over the original term of the related leases. The accumulated amortization on these costs is $16,260 at December 31, 2018. Amortization expense for the year ended December 31, 2018 is $16,260. Estimated amortization expense over the next 5 years is expected to be:

Year Ended December 31:	
2019	$ 74,476
2020	$ 74,476
2021	$ 65,911
2022	$ 23,086
2023	$ 15,931

Advertising

All advertising costs are expensed as incurred. For the years ended December 31, 2018 and 2017, amounts expensed to advertising and promotion totaled $7,469 and $7,008, respectively.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard

During 2018, GLDC and its subsidiaries adopted ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities.* These amendments change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the areas of net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows.

The amendments were applied on a retrospective basis, except for disclosures about liquidity and availability of resources.

Future Changes in Accounting Standards

ASU No. 2016-18, Statement of Cash Flows (Topic 230) Restricted Cash: effective for years beginning after December 15, 2018. These amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments do not provide a definition of restricted cash or restricted cash equivalents.

ASU No. 2014-09, Revenue from Contracts with Customers and ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients - effective for years beginning after December 15, 2018. The new revenue recognition model replaces virtually all existing revenue recognition guidance. The guidance affects all entities—public, private, and not-for-profit that enter into contracts with customers to transfer goods or services or enter into contracts to transfer nonfinancial assets. Unless those contracts are within the scope of other standards (such as for leases, financial instruments, or insurance contracts), the impact of the new rules must be considered.

ASU No. 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958): effective for transactions in which the entity serves as a resource recipient to annual periods beginning after December 15, 2018. This update is commonly referred to as revenue recognition of grants and contracts by all entities. This update likely will result in more grants and contracts being accounted for as either contributions or conditional contributions than observed in practice under current guidance.

GLDC will evaluate the impact these pronouncements may have on its financial statements and will implement it as applicable and when material.

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.

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

GLDC and its subsidiaries have $3,330,206 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 $2,994,707 less amounts for the capital improvement reserve of $320,636, and receivables of $656,135. 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 date. The receivables are subject to time restrictions but are expected to be collected within one year. GLDC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet one year of normal operating expenses, which are, on average, approximately $2.8 million. 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 committed line of credit in the amount of $1.5 million, of which $660,000 remained available on December 31, 2018, 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. GLDC maintained bank accounts at four financial institutions which were in excess of Federal Deposit Insurance Corporation (FDIC) coverage limits at December 31, 2018 and 2017; however management considers this to be a normal business risk.

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 having a term of ten years. 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.

GLDC subleases the commercial space to several third parties under noncancelable operating leases. The terms of the leases range from 1 to 15 years with various renewal options with lease payments ranging from $2,392 to $369,691 annually over the terms of the leases. Total lease income received for the years ended December 31, 2018 and 2017 was $1,641,832 and $1,612,692, respectively.

The estimated future minimum lease payments to be received by GLDC over the next 5 years are as follows:

Year	Lease Income
2019	$ 2,162,197
2020	$ 2,037,322
2021	$ 2,045,982
2022	$ 1,218,395
2023	$ 1,240,619

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.

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 revenue for the years ended December 31, 2018 and 2017 was $1,047,269 and $959,157, respectively.

The estimated future minimum lease payments to be received by CGR over the next 5 years are as follows:

Year	Lease Income
2019	$ 1,068,088
2020	$ 1,068,088
2021	$ 1,068,088
2022	$ 1,068,088
2023	$ 1,068,088

During the year ended December 31, 2018, 99 Otis St. entered into a lease with NYSTEC for the two story, 32,110 square foot, building that is currently being constructed on its land. 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.

NOTE 5 PROPERTY/BUILDING LEASES (Continued)

The lease will commence upon the completion of construction. The estimated future minimum lease payments to be received by 99 Otis St. are as follows:

Sublease Years	Annual Minimum Lease Income
Years 1-5	$ 289,773
Years 6-10	$ 313,264
Years 11-15	$ 339,104
Years 16-20	$ 368,299

NOTE 6 LINE OF CREDIT

GLDC entered into a non-revolving, non-replenishing line of credit with NBT Bank on July 31, 2017 to finance demolition and improvements to building 240 and associated real property located in Griffiss Business and Technology Park in Rome, NY. This was a replacement note that was issued on an existing loan extending the maturity date and amending the original note. The line of credit was secured by a mortgage in the property and related documents. The maximum principal amount on the line of credit was $1,612,500. The interest rate is variable as determined by the lender and is equal to the one (1) month London Interbank Offered Rate in U.S. Dollars published daily by ICE Benchmark Administration (the "LIBOR Index"), plus two hundred (200) basis points. At December 31, 2017, GLDC had $689,007 outstanding on this line of credit, which matured on March 31, 2018. On April 13, 2018, GLDC converted this line of credit to a ten-year mortgage at the maturity date. See Note 8 for more information.

GLDC also has a $1.5 million unsecured line of credit with M&T Bank at a current interest rate of 6.0625%. The line of credit has a balance of $840,000 and $0 at December 31, 2018 and 2017, respectively.

NOTE 7 CONSTRUCTION LOAN

GLDC entered into a construction loan financing agreement of up to $950,000 with Adirondack Bank on October 5, 2018. The loan is convertible to a permanent mortgage loan for up to $850,000 on June 5, 2019 (conversion date). The purpose of the loan is for renovations to building 778 and pave the related parking areas located in Griffiss Business and Technology Park in Rome, NY. The loan is secured by a first priority mortgage and security interest in the facility being renovated, a first priority assignment of all present and future leases and rents, a first priority security interest in all personal property of GLDC, and a first priority assignment of any and all contracts or agreements relating to the renovation project. The current balance on the loan is $913,405 (net of closing costs of $30,407) at December 31, 2018. GLDC is currently making monthly interest-only payments on the balance of the loan at a variable rate per annum equal to the prime rate, adjusted daily, minus 0.25%. The permanent loan will be paid back over ten years and bear interest at a per annum fixed rate equal to the weekly average yield on US Treasury Securities adjusted to a constant maturity of ten years in effect on the conversion date, plus 2.25%, with a floor of 5.25% per annum.

NOTE 8 LONG-TERM DEBT

At December 31, 2018 and 2017, long-term debt consisted of the following:

	2018	2017
GLDC		
Loan payable to EDGE due November 1, 2031 to assist in financing the Assured Information Security, Inc. project. The loan is secured by a second position lien pro-rata co-equal with Rome Industrial Development Corporation (RIDC) and Mohawk Valley Rehabilitation Corporation mortgage on a building and other property located at 725 Daedalian Drive, Rome, NY. The loan was being repaid by monthly interest-only payments of $1,667 until December 1, 2017. A lump sum principal payment of $250,000 was made on that date. Beginning on January 1, 2018, interest only monthly payments of $833 will be made until November 1, 2018. At that time, monthly payments of 2,058 will be made until maturity, including interest at 4.00% per annum, will be made.	$ 247,547	$ 250,000
Loan payable to RIDC due November 1, 2026 to assist in financing the Assured Information Security, Inc. project. The loan is secured by a second position lien pro-rata co-equal with EDGE and Mohawk Valley Rehabilitation Corporation mortgage on a building and other property located at 725 Daedalian Drive, Rome, NY. It is currently being repaid by monthly payments of $555, including interest at 4.00% per annum.	44,705	49,470
Loan payable to M&T Bank due January 9, 2017, which is being repaid by monthly interest payments at 3.12% per annum, annual principal payments of $60,000 and a principal payment of $944,974 due at maturity. The loan was amended in January 2017 and the maturity date was extended for an additional 10 year term thru January 9, 2027. All other terms and conditions remain the same. 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.	822,435	882,435

NOTE 8 LONG-TERM DEBT (Continued)

	2018	2017
Loan payable to Mohawk Valley Rehabilitation Corporation due June 1, 2022, which is being reduced by monthly payments of $877 including interest at 5.00% per annum and a lump-sum principal payment of $82,674 due June 1, 2022. This note is 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.	102,719	107,946
Loan payable to Community Bank due April 10, 2020 for the expansion and improvement of a building at 725 Daedalian Drive, Rome, NY. The loan is secured by an assignment of leases and mortgage in a building and other property located at 725 Daedalian Drive, Rome, NY. It was being repaid by monthly payments of $3,945, including interest at 4.5% per annum through October 10, 2018. At that time, monthly payments began at $824 per month and the interest rate increased to 5.5%.	71,782	112,196
Loan payable to Mohawk Valley Rehabilitation Corporation due November 1, 2026 to assist in financing the Assured Information Security, Inc. project. The loan is secured by a second position lien pro-rata co-equal with EDGE and RIDC mortgage on a building and other property located at 725 Daedalian Drive, Rome, NY. It was being repaid by monthly interest-only payments of $667 until November 1, 2018. Currently, monthly payments of $2,438 are being made, including interest at 4.00% per annum.	198,229	200,000
Loan payable to Community Bank due September 1, 2020 for improvements to building 798 at 581 Phoenix Drive, Rome, NY. The loan is secured by an assignment of leases and mortgage in a building and other property located at 725 Daedalian Drive, Rome, NY. The loan was being repaid by monthly payments of $8,250, including interest at 4.50% until October 1, 2018. Currently, it is being repaid by monthly payments of $1,907 with interest at 5.25%.	173,777	256,591

NOTE 8 LONG-TERM DEBT (Continued)

	2018	2017
Loan payable to Community Bank due September 1, 2026 to assist in financing the Assured Information Security, Inc. project. The loan is secured by an assignment of leases and mortgage in a building and other property located at 725 Daedalian Drive, Rome, NY. It is currently being repaid by monthly payments of $7,307, including interest at 4.50% per annum.	574,395	634,476
Loan payable to NBT Bank due October 12, 2021 to finance improvements to Building 440. The loan is secured by a first priority mortgage and assignment of leases and rents covering the building. The loan is being repaid with monthly payments of $6,337, including interest at 4.14% per annum.	202,958	268,903
Loan payable to NBT Bank due October 12, 2021 to finance improvements to Building 780. The loan is secured by cash collateral and a third priority mortgage and assignment of leases and rents, covering Building 780. The loan is being repaid with monthly payments of $2,249, including interest at 4.14% per annum.	72,017	95,417
Loan payable to Community Bank due October 10, 2028. The loan is secured by a first mortgage on property at 276 Brookley Road, Rome, NY, a first security interest in all fixtures, and an assignment of rents and leases on the building. The loan is currently being repaid with monthly payments of $5,006, including interest at 4.60% per annum, for ten years. For the last five years of the note, interest will be adjusted to the five-year U.S Treasury plus 3.50% per annum, with a floor of 4.25% per annum.	474,430	511,736
Loan payable to Community Bank due October 10, 2023 to finance improvements to a building. The loan is secured by a first mortgage on the property at 428 Phoenix Drive, Rome, NY, a first security interest in fixtures and an assignment of rents and leases on the building. The loan is currently being repaid in monthly payments of $3,581, including interest at 4.85% per annum.	334,476	391,072

NOTE 8 LONG-TERM DEBT (Continued)

	2018	2017
Loan payable to NBT Bank due July 5, 2021 to finance purchase of certain equipment. The loan is secured by a security interest in the equipment itself. The loan is being repaid in monthly payments of $1,744, including interest at 3.5% per annum until maturity.	51,508	70,243
Loan payable to First Source Federal Credit Union due February 14, 2022 to finance a company vehicle which is collateralized by a security interest in the vehicle itself. The loan is currently being repaid with monthly payments of $533, including interest at 2.49% per annum, until maturity.	19,480	25,312
Loan payable to NBT Bank due May 1, 2028 to finance demolition and improvements to building 240 and associated real property located in Griffiss Business and Technology Park in Rome, NY. This was a replacement note for a construction loan as described in Note 7. The loan is currently being repaid with monthly payments of $7,035, including a variable rate of interest, which is 4.073% on December 31, 2018.	657,486	689,007
Cardinal Griffiss Realty, LLC		
Loan payable to Community Bank due September 1, 2031, to provide additional financing for construction of a building. The loan is secured by an assignment of mortgage, leases, and rents covering the land, building, and improvements. Advances on the loan were applied up to the maximum principal balance of $1,585,416. The loan is currently being repaid with monthly payments of $10,193, including interest at 4.50% per annum.	1,187,905	1,254,585
Loan payable to Community Bank due June 15, 2027 to finance improvements to a building located in Griffiss Business and Technology Park in Rome, NY. The loan is net of unamortized closing costs of $33,498 and $37,458 at December 31, 2018 and 2017, respectively. The loan is secured by an assignment of mortgage, leases, and rents covering the land and building. It is further secured by a Guaranty from GLDC. The loan is currently being repaid with monthly payments of $6,976, including interest at 5.18% per annum. The unpaid principal balance will be due at maturity.	539,264	587,437

NOTE 8 LONG-TERM DEBT (Continued)

	2018	2017
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 $12,621 for 2018. 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. It will initially be paid with monthly interest-only payments of $642. Commencing on January 1, 2019 and for the following 16 months, monthly interest-only payments will be $1,750. On May 1, 2020, monthly principal and interest payments of $3,883 will be made, with interest at 4% per annum.	512,379	0
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 $7,830 for 2018. 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. It will initially be paid with monthly interest-only payments of $458. Commencing on January 1, 2019 and for the following 16 months, monthly interest-only payments will be $1,250. On May 1, 2020, monthly principal and interest payments of $2,734 will be made, with interest at 4% per annum.	367,170	0
Total	6,654,662	6,386,826
Less: Current Maturities of Long-Term Debt	555,996	640,389
Total Long-Term Debt	$ 6,098,666	$ 5,746,437

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
2019	$ 0	$ 121,297	$ 434,699	$ 555,996
2020	30,813	127,407	450,529	608,749
2021	44,631	133,973	441,955	620,559
2022	46,505	140,790	431,979	619,274
2023	48,456	147,944	358,576	554,976
Thereafter	709,144	1,055,758	1,930,206	3,695,108
Total	$ 879,549	$ 1,727,169	$ 4,047,944	$ 6,654,662

NOTE 8 LONG-TERM DEBT (Continued)

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

99 Otis St. is capitalizing interest cost as a component of the cost of construction in progress. The following is a summary of all interest costs incurred by GLDC and its subsidiaries during the years ended December 31, 2018 and 2017:

	2018	2017
Interest cost capitalized by 99 Otis St.	$ 10,539	$ 0
Interest cost expensed	293,038	465,661
Total interest cost incurred	$ 303,577	$ 465,661

As a result of the unwind of the 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. The loan was to be paid with monthly payments of $40,114 with interest at 1.86% per annum until maturity, however, CGR made a lump sum principal payment of $250,000 plus interest before year-end in 2017. At December 31, 2017 and 2018, the balance of the loan is $6,372,200.

All intercompany loans have been eliminated through consolidation.

The Corporation's long-term debt agreements contain certain covenants, primarily a debt service ratio and working capital covenants. The Corporation was not in compliance with the covenants for two out of three financial institutions at December 31, 2017, however the financial institutions waived those covenants for that year. The Corporation was not in compliance with the covenants for two of the financial institutions at December 31, 2018, however the financial institutions waived the covenants for that year as well.

NOTE 9 GAIN ON UNWIND OF TAX CREDIT FINANCING

On September 1, 2010, GLDC made a loan to GLDC Investment Fund, LLC (the Fund) for $6,622,200 (The Leverage Loan) in which the proceeds of the loan were used to make a qualified equity investment in the Enhanced Capital New Market Development Fund V, LLC (the Sub-CDE).

On the same date, CGR borrowed $9,000,000 from the Sub-CDE as part of a Qualified Low-Income Community Investment to partially fund the cost of developing the Assured Information Security, Inc. project for construction of a building, which financing structure took advantage of the availability of New Market Tax Credits (the 2010 NMTC Financing).

The CGR financing was evidenced by two promissory notes, one in the principal amount of $6,622,200 (Note A), and one in the principal amount of $2,377,800 (Note B). The outstanding principal balance of the two notes was $9,000,000.

NOTE 9 GAIN ON UNWIND OF TAX CREDIT FINANCING (Continued)

The 2010 NMTC financing reached the end of the seven-year tax credit compliance period on September 1, 2017. As such, the 2010 NMTC Financing was "unwound" on September 7, 2017.

The Fund owned 99.99% of the membership interests in the Sub-CDE. USB NMTC Fund 2012-2 LLC, (USB Fund), the tax credit investor in the 2009 NMTC Financing, owned all the membership interests in the Fund.

As part of the 2010 NMTC Financing, CGR and USB Fund had an option agreement giving CGR a "Put" option to purchase all of USB Fund's membership interest in the Fund for $1,000. As part of the "unwind" process, USB Fund accepted the Put on September 7, 2017 and upon the consummation of $1,000 resulting from such exercise, CGR became the sole member of the Fund.

In addition, the Fund also exercised its right to cause the Sub-CDE to redeem all of the Funds membership interest in the Sub-CDE in exchange for all of the Sub-CDEs interest in Notes A and B.

CGR then facilitated the dissolution of the Fund, and promissory note B was terminated by right of law, which is included in the calculation of the gain below.

As a result of the above, Note A was assigned to GLDC in the amount of $6,622,200 in satisfaction of the Leverage Loan, and is now considered an intercompany loan as discussed in Note 8 above. The Leverage Loan is now considered repaid in full.

The gain on the unwind of the tax credit financing is calculated as follows:

Termination of Note B	$ 2,377,800
Purchase of the Fund's Interest	(1,000)
Legal Fees Incurred and Paid	(20,505)
Gain on Unwind of Tax Credit Financing	$ 2,356,295

NOTE 10 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, 2018	$ 0	$ 0	$ 0
(Deficit) of Revenue over Expenses	(13,878)	(11,355)	(25,233)
Capital Contributions	1,490,000	1,210,000	2,700,000
Balance, December 31, 2018	$ 1,476,122	$ 1,198,645	$ 2,674,767

NOTE 10 MEMBER'S EQUITY (Continued)

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

Deficit, January 1, 2017	$ (1,604,068)
Excess of Revenue over Expenses	2,380,962
Balance, January 1, 2018	$ 776,894
Excess of Revenue over Expenses	178,969
Member Distribution	(150,000)
Balance, December 31, 2018	$ 805,863

NOTE 11 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 2018 and 2017 amounted to $42,228 and $39,741, respectively. At December 31, 2018 and 2017, GLDC had unpaid contributions due to the plan in the amount of $1,080 and $835, respectively.

NOTE 12 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 $151,439 and $148,894, respectively, for the years ended December 31, 2018 and 2017. At December 31, 2018 and 2017, GLDC had amounts due from Griffiss Utility Services Corporation (GUSC) of $57,045and $21,896, respectively.

GLDC and CGR pay GUSC for steam and electric costs incurred by tenants of their leased properties. Utility expenses for the years ended December 31, 2018 and 2017 was $281,024 and $234,154, respectively. At December 31, 2018 and 2017, GLDC and CGR had amounts due to GUSC of $37,561and $26,952, respectively.

NOTE 13 COMMITMENTS

99 Otis St. has obtained a construction and permanent financing loan commitment from M&T Bank for up to $3 million to assist in financing the construction of a building on Otis Street located in Griffiss Business and Technology Park in Rome, NY. When the loan converts to permanent financing on the completion date it will be for up to $2,613,000. There is no balance on the loan at December 31, 2018 other than closing costs.

NOTE 14 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 15 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 16 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:

	2018	2017
Program Services		
Redevelopment and Leasing	$ 4,792,736	$ 5,155,039
Marketing and Promotion	23,769	19,316
Supporting Services		
Management and General	342,764	296,804
Total Expenses	$ 5,159,269	$ 5,471,159

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2019, 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, 2018

	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
Assets						
Current Assets						
Cash and Cash Equivalents	$ 1,021,048	$ 521,978	$ 1,451,681	$ 2,994,707	$ 0	$ 2,994,707
Accounts Receivable, Net	74,849	0	2,236	77,085	0	77,085
Due from Related Organizations	72,152	0	375,000	447,152	(390,107)	57,045
Grants Receivable	521,993	0	0	521,993	0	521,993
Prepaid and Other Assets - Current	172,741	1,530	0	174,271	0	174,271
Total Current Assets	1,862,783	523,508	1,828,917	4,215,208	(390,107)	3,825,101
Property						
Land	3,650,829	562,500	125,000	4,338,329	0	4,338,329
Construction in Progress	0	0	2,076,313	2,076,313	0	2,076,313
Building and Site Improvements	23,728,163	9,462,827	0	33,190,990	0	33,190,990
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	633,245	0	0	633,245	0	633,245
Vehicles and Automotive Equipment	254,022	0	0	254,022	0	254,022
Total Property	35,962,573	10,032,723	2,201,313	48,196,609	0	48,196,609
Accumulated Depreciation	23,493,231	1,626,344	0	25,119,575	0	25,119,575
Net Property	12,469,342	8,406,379	2,201,313	23,077,034	0	23,077,034
Other Long-Term Assets						
Investment in Subsidiaries	2,927,800	0	0	2,927,800	(2,927,800)	0
Note Receivable from Related Organization	6,372,200	0	0	6,372,200	(6,372,200)	0
Prepaid and Other Assets	49,965	0	0	49,965	0	49,965
Lease Acquisition Costs, Net	253,341	0	0	253,341	0	253,341
Project Costs (Net of Accumulated Amortization)	2,256,622	0	0	2,256,622	0	2,256,622
Goodwill	132,000	0	0	132,000	0	132,000
Total Other Long-Term Assets	11,991,928	0	0	11,991,928	(9,300,000)	2,691,928
Total Assets	$ 26,324,053	$ 8,929,887	$ 4,030,230	$ 39,284,170	$ (9,690,107)	$ 29,594,063
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable and Accrued Expenses	$ 331,336	$ 5,424	$ 383,986	$ 720,746	$ 0	$ 720,746
Retainage Payable	141,107	0	85,735	226,842	0	226,842
Due to Related Organization	402,244	19,231	6,193	427,668	(390,107)	37,561
Deferred Revenue	122,133	0	0	122,133	0	122,133
Lines of Credit	840,000	0		840,000	0	840,000
Current Maturities of Long-Term Debt	434,699	121,297	0	555,996	0	555,996
Total Current Liabilities	2,271,519	145,952	475,914	2,893,385	(390,107)	2,503,278
Long-Term Liabilities						
Capital Improvement Reserve	320,636	0	0	320,636	0	320,636
Compensated Absences	26,334	0	0	26,334	0	26,334
Construction Loan	913,405	0	0	913,405	0	913,405
Long-Term Debt	3,613,245	7,978,072	879,549	12,470,866	(6,372,200)	6,098,666
Total Long-Term Liabilities	4,873,620	7,978,072	879,549	13,731,241	(6,372,200)	7,359,041
Net Assets						
Members' Equity	0	805,863	2,674,767	3,480,630	(2,927,800)	552,830
Net Assets without Donor Restrictions	19,178,914	0	0	19,178,914	0	19,178,914
Total Net Assets	19,178,914	805,863	2,674,767	22,659,544	(2,927,800)	19,731,744
Total Liabilities and Net Assets	$ 26,324,053	$ 8,929,887	$ 4,030,230	$ 39,284,170	$ (9,690,107)	$ 29,594,063

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2018

	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
Revenue, Gains and Support						
Building Lease Income	$ 1,641,832	$ 1,047,269	$ 0	$ 2,689,101	$ 0	$ 2,689,101
Other Lease Related Income	492,552	20,819	0	513,371	0	513,371
New York State and Local Grants	259,230	0	0	259,230	0	259,230
Interest Income	75,829	448	1,071	77,348	(73,500)	3,848
Payments In Lieu of Taxes	183,477	0	0	183,477	0	183,477
Project Development Fees	105,853	0	0	105,853	(105,853)	0
Reimbursements and Refunds	51,379	0	0	51,379	(19,419)	31,960
Snowplowing and Lawn Maintenance	357,456	0	0	357,456	(32,400)	325,056
Other Income	147,661	0	0	147,661	0	147,661
Gain on Sale of Property	216,204	0	0	216,204	0	216,204
Total Revenue, Gains and Support	3,531,473	1,068,536	1,071	4,601,080	(231,172)	4,369,908
Expenses						
Program Services						
Redevelopment and Leasing	3,065,977	646,484	26,304	3,738,765	(231,172)	3,507,593
Marketing and Promotion	23,769	0	0	23,769	0	23,769
Supporting Services						
Management and General	342,764	0	0	342,764	0	342,764
Total Expenses	3,432,510	646,484	26,304	4,105,298	(231,172)	3,874,126
Increase (Decrease) in Net Assets Before Other Changes	98,963	422,052	(25,233)	495,782	0	495,782
Other Changes						
Depreciation and Amortization Expense	(1,042,060)	(243,083)	0	(1,285,143)	0	(1,285,143)
(Loss) on Transfer of Land	(1,096,862)	0	0	(1,096,862)	0	(1,096,862)
Increase (Decrease) in Net Assets	(2,039,959)	178,969	(25,233)	(1,886,223)	0	(1,886,223)
Net Assets, Beginning of Year	21,218,873	776,894	0	21,995,767	(1,587,800)	20,407,967
Capital Contribution	0	0	2,700,000	2,700,000	(1,490,000)	1,210,000
Member Distribution	0	(150,000)	0	(150,000)	150,000	0
Net Assets, End of Year	$ 19,178,914	$ 805,863	$ 2,674,767	$ 22,659,544	$ (2,927,800)	$ 19,731,744

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2017

	GLDC	CGR	Combined Balance	Consolidation Elimination	Final Balance
Assets					
Current Assets					
Cash and Cash Equivalents	$ 1,641,097	$ 400,715	$ 2,041,812	$ 0	$ 2,041,812
Accounts Receivable, Net	16,952	948	17,900	0	17,900
Due from Related Organizations	63,211	0	63,211	(41,315)	21,896
Grants Receivable	997,464	0	997,464	0	997,464
Prepaid and Other Assets - Current	65,283	1,696	66,979	0	66,979
Total Current Assets	2,784,007	403,359	3,187,366	(41,315)	3,146,051
Property					
Land	4,872,691	562,500	5,435,191	0	5,435,191
Construction in Progress	189,022	0	189,022	0	189,022
Building and Site Improvements	22,502,383	9,454,777	31,957,160	0	31,957,160
Roadways and Improvements	5,203,440	0	5,203,440	0	5,203,440
Railways and Improvements	1,686,767	0	1,686,767	0	1,686,767
Utility Improvements	582,831	0	582,831	0	582,831
Signage	225,946	7,396	233,342	0	233,342
Furniture, Fixtures, and Equipment	595,445	0	595,445	0	595,445
Vehicles and Automotive Equipment	254,022	0	254,022	0	254,022
Total Property	36,112,547	10,024,673	46,137,220	0	46,137,220
Accumulated Depreciation	22,800,567	1,383,261	24,183,828	0	24,183,828
Net Property	13,311,980	8,641,412	21,953,392	0	21,953,392
Other Long-Term Assets					
Investment in Subsidiary	1,587,800	0	1,587,800	(1,587,800)	0
Note Receivable from Related Organization	6,372,200	0	6,372,200	(6,372,200)	0
Prepaid and Other Assets	74,951	0	74,951	0	74,951
Project Costs (Net of Accumulated Amortization)	2,417,810	0	2,417,810	0	2,417,810
Goodwill	132,000	0	132,000	0	132,000
Total Other Long-Term Assets	10,584,761	0	10,584,761	(7,960,000)	2,624,761
Total Assets	$ 26,680,748	$ 9,044,771	$ 35,725,519	$ (8,001,315)	$ 27,724,204
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable and Accrued Expenses	$ 490,149	$ 8,358	$ 498,507	$ 0	$ 498,507
Retainage Payable	79,705	0	79,705	0	79,705
Due to Related Organization	22,970	45,297	68,267	(41,315)	26,952
Deferred Revenue	2,056	0	2,056	0	2,056
Current Maturities of Long-Term Debt	524,985	115,404	640,389	0	640,389
Total Current Liabilities	1,119,865	169,059	1,288,924	(41,315)	1,247,609
Long-Term Liabilities					
Capital Improvement Reserve	298,885	0	298,885	0	298,885
Compensated Absences	23,306	0	23,306	0	23,306
Long-Term Debt	4,019,819	8,098,818	12,118,637	(6,372,200)	5,746,437
Total Long-Term Liabilities	4,342,010	8,098,818	12,440,828	(6,372,200)	6,068,628
Net Assets					
Member's Equity (Deficit)	0	776,894	776,894	(1,587,800)	(810,906)
Net Assets without Donor Restrictions	21,218,873	0	21,218,873	0	21,218,873
Total Net Assets	21,218,873	776,894	21,995,767	(1,587,800)	20,407,967
Total Liabilities and Net Assets	$ 26,680,748	$ 9,044,771	$ 35,725,519	$ (8,001,315)	$ 27,724,204

See Independent Auditor's Report.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2017

	GLDC	CGR	Combined Balance	Consolidation Elimination	Final Balance
Revenue, Gains and Support					
Building Lease Income	$ 1,612,692	$ 959,157	$ 2,571,849	$ 0	$ 2,571,849
Other Lease Related Income	443,053	18,842	461,895	0	461,895
New York State and Local Grants	817,612	0	817,612	0	817,612
Interest Income	165,006	111	165,117	(39,636)	125,481
Payments In Lieu of Taxes	181,719	0	181,719	0	181,719
Project Development Fees	105,853	0	105,853	(105,853)	0
Reimbursements and Refunds	59,568	0	59,568	(20,079)	39,489
Snowplowing and Lawn Maintenance	337,312	0	337,312	(32,400)	304,912
Other Income	137,617	0	137,617	0	137,617
Gain on Sale of Property	226,457	0	226,457	0	226,457
Total Revenue, Gains and Support	4,086,889	978,110	5,064,999	(197,968)	4,867,031
Expenses					
Program Services					
Redevelopment and Leasing	3,345,497	719,514	4,065,011	(197,968)	3,867,043
Marketing and Promotion	19,316	0	19,316	0	19,316
Supporting Services					
Management and General	296,804	0	296,804	0	296,804
Total Expenses	3,661,617	719,514	4,381,131	(197,968)	4,183,163
Increase in Net Assets Before Other Changes	425,272	258,596	683,868	0	683,868
Other Changes					
Depreciation and Amortization Expense	(1,054,067)	(233,929)	(1,287,996)	0	(1,287,996)
Gain on Unwind of Tax Credit Financing	0	2,356,295	2,356,295	0	2,356,295
Increase (Decrease) in Net Assets	(628,795)	2,380,962	1,752,167	0	1,752,167
Net Assets (Deficit), Beginning of Year	21,847,668	(1,604,068)	20,243,600	(1,587,800)	18,655,800
Net Assets (Deficit), End of Year	$ 21,218,873	$ 776,894	$ 21,995,767	$ (1,587,800)	$ 20,407,967

See Independent Auditor's Report.