

GRIFFISS LOCAL  
DEVELOPMENT  
CORPORATION AND  
SUBSIDIARIES

For the Year Ended  
December 31, 2025

CONSOLIDATED FINANCIAL  
STATEMENTS AND  
CONSOLIDATING SCHEDULES

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3-4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-26
CONSOLIDATING SCHEDULES	
Consolidating Schedule of Financial Position at December 31, 2025	27
Consolidating Schedule of Activities for the Year Ended December 31, 2025	28
Consolidating Schedule of Financial Position at December 31, 2024	29
Consolidating Schedule of Activities for the Year Ended December 31, 2024	30

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**Independent Auditor's Report**

Board of Directors

Griffiss Local Development Corporation and Subsidiaries

**Report on the Audit of the Financial Statements**

***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, 2025 and 2024, 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, 2025 and 2024, and the results of their operations 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.

***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 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 Griffiss Local Development Corporation and subsidiaries 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.

### **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 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*D'Arcangelo + Co., LLP*

March 26, 2026

Rome, New York

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 4,011,268	\$ 4,104,733
Accounts Receivable, Net	227,976	127,741
Due from Related Organization	51,430	52,393
Grants Receivable	565,957	52,066
Loan Participation Note - Current	8,061	7,746
Prepaid Assets	22,669	25,117
Lease Receivable - Current	45,473	49,051
Assets Held for Sale	<u>4,190,229</u>	<u>0</u>
Total Current Assets	<u>9,123,063</u>	<u>4,418,847</u>
<b>Property</b>		
Land	2,283,023	2,845,523
Construction in Progress	11,250	0
Building and Site Improvements	35,508,301	44,301,583
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	250,266	257,662
Furniture, Fixtures, and Equipment	1,029,425	1,122,709
Vehicles and Automotive Equipment	<u>303,576</u>	<u>303,576</u>
Total Property	46,858,879	56,304,091
Accumulated Depreciation	<u>(31,530,875)</u>	<u>(33,591,749)</u>
Net Property	<u>15,328,004</u>	<u>22,712,342</u>
<b>Other Long-Term Assets</b>		
Lease Receivable	270,229	291,198
Loan Participation Note	112,521	121,214
Lease Acquisition Costs, Net	133,617	201,013
Project Costs, Net	4,028,028	4,432,549
Goodwill	<u>132,000</u>	<u>132,000</u>
Total Other Long-Term Assets	<u>4,676,395</u>	<u>5,177,974</u>
<b>Total Assets</b>	<u>\$ 29,127,462</u>	<u>\$ 32,309,163</u>

(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, 2025 and 2024****(Continued)**

	<u>2025</u>	<u>2024</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 987,050	\$ 247,256
Due to Related Organization	14,389	14,028
Deferred Revenue	90,071	135,221
Current Maturities of Long-Term Debt	834,608	850,175
Total Current Liabilities	<u>1,926,118</u>	<u>1,246,680</u>
<b>Long-Term Liabilities</b>		
Capital Improvement Reserve	424,510	424,511
Railroad Improvement Fund	120,000	105,000
Skyline Gateway Redevelopment Fund	393,769	333,201
Compensated Absences	62,906	59,379
Long-Term Debt	<u>9,055,121</u>	<u>9,890,709</u>
Total Long-Term Liabilities	<u>10,056,306</u>	<u>10,812,800</u>
<b>Net Assets</b>		
Net Assets without Donor Restrictions		
Controlling Interests	15,380,569	18,493,742
Noncontrolling Interests	<u>1,764,469</u>	<u>1,755,941</u>
Total Net Assets	<u>17,145,038</u>	<u>20,249,683</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 29,127,462</u>	<u>\$ 32,309,163</u>

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, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Revenue and Support</b>		
Building Lease Income	\$ 3,333,535	\$ 3,405,182
Other Lease Related Income	385,835	383,003
Federal Grants	383,061	517,880
New York State Grants	95,765	37,620
Snowplowing and Lawn Maintenance	402,585	393,723
Payments In Lieu of Taxes	505,095	505,095
Reimbursements and Refunds	821,494	219,018
Interest Income	85,699	78,394
Other Income	<u>204,747</u>	<u>241,074</u>
Total Revenue and Support	<u>6,217,816</u>	<u>5,780,989</u>
<b>Expenses</b>		
Program Services		
Redevelopment and Leasing	4,130,240	3,556,883
Marketing and Promotion	19,446	27,807
Supporting Services		
Management and General	<u>465,927</u>	<u>292,180</u>
Total Expenses	<u>4,615,613</u>	<u>3,876,870</u>
<b>Increase in Net Assets</b>		
<b>Before Other Changes</b>	<u>1,602,203</u>	<u>1,904,119</u>
<b>Other Changes</b>		
Depreciation and Amortization Expense	(1,868,921)	(2,039,533)
Net (Loss) on Impairment of Property	<u>(2,837,927)</u>	<u>0</u>
Total Other Changes	<u>(4,706,848)</u>	<u>(2,039,533)</u>
<b>(Decrease) in Net Assets</b>	(3,104,645)	(135,414)
<b>Net Assets, Beginning of Year</b>	<u>20,249,683</u>	<u>20,385,097</u>
<b>Net Assets, End of Year</b>	<u>\$ 17,145,038</u>	<u>\$ 20,249,683</u>

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, 2025**

**(With Comparative Totals For the Year Ended December 31, 2024)**

	Program Services		Supporting Services	Total	
	Redevelopment and Leasing	Marketing and Promotion	Management and General	2025	2024
Salaries	\$ 720,566	\$ 0	\$ 25,432	\$ 745,998	\$ 708,461
Employee Benefits	203,278	0	7,360	210,638	194,052
Payroll Taxes	60,366	0	2,186	62,552	56,472
Professional Services	132,458	0	65,843	198,301	196,796
Outside Consultants	24,298	0	0	24,298	15,811
Occupancy	18,877	1,038	2,074	21,989	21,438
Contracted Services	0	0	0	0	14,002
Insurance	134,312	0	3,976	138,288	131,933
Office Expenses	0	0	25,166	25,166	25,986
Service Fees	203,306	10,401	327,729	541,436	540,701
Travel	77,992	0	0	77,992	62,658
Repairs and Maintenance	1,271,388	0	0	1,271,388	605,234
Lease Related Expenses	805,033	0	0	805,033	754,722
Minor Equipment	32,229	0	0	32,229	55,187
Depreciation and Amortization	1,868,921	0	0	1,868,921	2,039,533
Interest Expense	404,472	0	0	404,472	439,087
Marketing and Advertising	0	8,007	0	8,007	5,668
Transportation Rebate	40,000	0	0	40,000	40,000
Other Expenses	1,665	0	6,161	7,826	8,662
<b>Total Functional Expenses</b>	<u>\$ 5,999,161</u>	<u>\$ 19,446</u>	<u>\$ 465,927</u>	<u>\$ 6,484,534</u>	<u>\$ 5,916,403</u>

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, 2024**

	Program Services		Supporting Services	Total
	Redevelopment and Leasing	Marketing and Promotion	Management and General	
Salaries	\$ 683,149	\$ 0	\$ 25,312	\$ 708,461
Employee Benefits	187,026	0	7,026	194,052
Payroll Taxes	54,427	0	2,045	56,472
Professional Services	133,360	0	63,436	196,796
Outside Consultants	15,811	0	0	15,811
Occupancy	18,410	1,009	2,019	21,438
Contracted Services	14,002	0	0	14,002
Insurance	128,106	0	3,827	131,933
Office Expenses	0	0	25,986	25,986
Service Fees	362,299	21,130	157,272	540,701
Travel	62,658	0	0	62,658
Repairs and Maintenance	605,234	0	0	605,234
Lease Related Expenses	754,722	0	0	754,722
Minor Equipment	55,187	0	0	55,187
Depreciation and Amortization	2,039,533	0	0	2,039,533
Interest Expense	439,087	0	0	439,087
Marketing and Advertising	0	5,668	0	5,668
Transportation Rebate	40,000	0	0	40,000
Other Expenses	<u>3,405</u>	<u>0</u>	<u>5,257</u>	<u>8,662</u>
<b>Total Functional Expenses</b>	<b><u>\$ 5,596,416</u></b>	<b><u>\$ 27,807</u></b>	<b><u>\$ 292,180</u></b>	<b><u>\$ 5,916,403</u></b>

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

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
(Decrease) in Net Assets	\$ (3,104,645)	\$ (135,414)
Adjustments for Noncash Transactions		
Depreciation and Amortization	1,868,921	2,039,533
Net Loss on Impairment of Property	2,837,927	0
Non-Cash Interest	15,079	15,078
(Increase) Decrease in Assets		
Accounts Receivable	(100,235)	(45,630)
Due from Related Organizations	963	(32,626)
Grants Receivable	(513,891)	2,636,436
Lease Receivable	24,547	(5,499)
Prepaid and Other Assets	2,448	92,431
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	739,794	(1,873,434)
Due to Related Organization	361	4,908
Deferred Revenue	(45,150)	96,099
Compensated Absences	3,527	12,872
Net Cash Provided by Operating Activities	<u>1,729,646</u>	<u>2,804,754</u>
<b>Cash Flows from (Used) by Investing Activities</b>		
Collections on Loans	8,378	6,811
Capital Expenditures	(1,028,338)	(673,920)
Lease Acquisition Costs	<u>(12,483)</u>	<u>(54,945)</u>
Net Cash (Used) by Investing Activities	<u>(1,032,443)</u>	<u>(722,054)</u>
<b>Cash Flows from (Used) by Financing Activities</b>		
Railroad Improvement Fund	15,000	15,000
Skyline Gateway Redevelopment Fund	60,568	28,230
Payment of Long-Term Debt	<u>(866,236)</u>	<u>(837,093)</u>
Net Cash (Used) by Financing Activities	<u>(790,668)</u>	<u>(793,863)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(93,465)	1,288,837
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,104,733</u>	<u>2,815,896</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 4,011,268</u>	<u>\$ 4,104,733</u>

**Supplemental Cash Flow Disclosures**

Cash Paid During the Year For:

Interest	<u>\$ 404,472</u>	<u>\$ 439,087</u>
Income Taxes	<u>\$ 0</u>	<u>\$ 0</u>

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

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO 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, and 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 Federal, New York State and local grants. 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) held the noncontrolling (.01%) interest in CGR. In 2025, EDGE assigned its interest to GLDC.

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, 2025 and 2024, GLDC only maintained net assets without donor restrictions.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 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

On January 1, 2023, GLDC adopted the Financial Accounting Standards Board Accounting Standards Update 2016-13 (ASU 2016-13), *Financial Instruments – Credit Losses (Topic 326) (CECL)*. Accounts receivable primarily consists of amounts billed to customers for rent and for facility and grounds maintenance services. The receivables are now presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. GLDC separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the balance sheet date, GLDC develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. For each of the years presented, GLDC increased its historical loss rates for each category based on forward-looking information, such as inflation and other economic factors impacting customers, that are reasonable and supportable in determining expected credit losses. As a result of this, management believes an allowance for credit loss is not material.

Grants receivable and amounts due from related organizations have been deemed to be fully collectible, therefore, an allowance has not been established.

#### Loan Participation Note

The loan participation note represents GLDC's participation (investment) 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). No collateral was required. The note is carried at GLDC's share of unpaid principal balances on the related debt. Due to the type of instrument involved, management believes an allowance for loan loss is not material.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 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:

	<u>Estimated Useful Lives</u>
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 was being depreciated over 39 years, the estimated useful life, using the straight-line method of depreciation. The building and related assets were reclassified as assets held for sale as of December 31, 2025.

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 \$1,384,521 and \$1,555,439 for the years ended December 31, 2025 and 2024, 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.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$1,128,306 and \$1,289,494 at December 31, 2025 and 2024, respectively. Amortization expense for each of the years ended December 31, 2025 and 2024 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.

#### *Orgill, Inc.*

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 is amortizing 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 \$2,899,722 and \$3,143,055 at each of the years ended December 31, 2025 and 2024, respectively. Amortization expense for each of the years ended December 31, 2025 and 2024 is \$243,334. 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 \$243,333.

#### **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, 2025 and 2024.

#### **Deferred Revenue**

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

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **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 the 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.

#### **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.

#### **Rail Improvement Reserve**

GLDC has also established a Rail Improvement Reserve, which is funded with certain proceeds of the Sovena USA 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 are available to support maintenance of the rail line at Griffiss Business and Technology Park. Revenue will be recognized when these performance obligations have been met.

#### **Reclassifications**

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

#### **Lease Acquisition Costs**

Lease acquisition costs in the amount of \$686,640 and \$674,157 for the years ended December 31, 2025 and 2024, respectively, 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 \$553,023 and \$473,144 at December 31, 2025 and 2024, respectively. Amortization expense for the years ended December 31, 2025 and 2024 is \$79,880 and \$79,572, respectively.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated amortization expense over the next 5 years is expected to be:

Year Ended December 31:	
2026	\$ 60,764
2027	\$ 41,025
2028	\$ 27,918
2029	\$ 3,701
2030	\$ 209

#### 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.
- 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.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	2025	2024	2023
<i>Accounts Receivable</i>			
Customer Accounts Receivable, Net	\$ 151,855	\$ 180,134	\$ 101,878
Sovena PILOT Receivable	127,551	0	0
Total Accounts Receivable	\$ 279,406	\$ 180,134	\$ 101,878
 <i>Deferred Revenues</i>			
Property Purchase Deposits	\$ 28,889	\$ 28,889	\$ 8,889
Deferred Revenue – CAM	743	2,034	997
Deferred Revenue – PILOT	3,081	4,854	684
Insurance Payment	307	0	0
Total Deferred Revenues	\$ 33,020	\$ 35,777	\$ 10,570

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, 2025 and 2024, amounts expensed to advertising and promotion totaled \$8,007 and \$5,668, 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.

# **GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **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. GLDC 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**

At December 31, 2025, GLDC and its subsidiaries had \$3,926,413 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 \$4,011,268, less amounts for the capital improvement reserve of \$424,510, the railroad improvement fund of \$120,000, and the skyline gateway redevelopment fund of \$393,769, and receivables of \$853,424. At December 31, 2024, GLDC and its subsidiaries had \$3,481,967 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 \$4,104,733, less amounts for the capital improvement reserve of \$424,511 and the railroad improvement fund of \$105,000, and the skyline gateway redevelopment fund of \$333,201, and receivables of \$239,946. 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, 2025, 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, 2025 and 2024; however management considers this to be a normal business risk.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 CONCENTRATION OF CREDIT RISK (Continued)

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.

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 \$3,325 to \$366,300 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, 2025 and 2024 was \$1,646,352 and \$1,717,997, 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:

<u>Category</u>	<u>2025</u>	<u>2024</u>
Buildings	\$ 5,830,489	\$ 5,830,489
Building Improvements	20,447,478	19,934,350
Accumulated Depreciation	<u>(20,467,956)</u>	<u>(19,845,836)</u>
	<u>\$ 5,810,011</u>	<u>\$ 5,919,003</u>

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 PROPERTY/BUILDING LEASES (Continued)

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

<u>Year</u>	<u>Lease Income</u>
2026	\$ 1,869,710
2027	1,779,830
2028	1,251,216
2029	814,997
2030	819,112
Thereafter	<u>1,341,055</u>
Total	<u>\$ 7,875,920</u>

CGR was 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 was non-cancelable, was for an original term of 15 years and contained two 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 was through October 31, 2026 and contained 2 options to renew the lease in 5-year increments. On October 21, 2025, CGR entered into a purchasing agreement with Brooks Road Holding LLC to sell the building CGR currently subleases to AIS. The agreement is expected to close in March 2026. As a result of the purchasing agreement and other factors, in accordance with ASC 360, *Accounting for Long Lived Assets*, the assets have been reclassified to assets held for sale as of December 31, 2025, and shown as a current asset on the Consolidated Statement of Financial Position for 2025.

In addition, assets that are held for sale are required to be reported at the lower of the carrying amount or fair value less cost to sell. Accordingly, CGR recognized an impairment loss of \$2,837,927 in the Organization's Statement of Activities.

Lease income for each of the years ended December 31, 2025 and 2024 was \$1,019,509.

The estimated future minimum sublease payment to be received by CGR up to the date of the sale are as follows:

<u>Year</u>	<u>Lease Income</u>
2026	\$ 218,181

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 two options to renew the lease in 5-year increments.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 PROPERTY/BUILDING LEASES (Continued)

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 two options to renew the lease in 5-year increments.

Lease income for each of the years ended December 31, 2025 and 2024 was \$667,676.

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

<u>Category</u>	<u>2025</u>	<u>2024</u>
Building	\$ 6,888,084	\$ 6,888,084
Building Improvements	874,694	874,694
Accumulated Depreciation	<u>(1,739,867)</u>	<u>(1,430,037)</u>
	<u>\$ 6,022,911</u>	<u>\$ 6,332,741</u>

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

<u>Year</u>	<u>Lease Income</u>
2026	\$ 670,601
2027	553,805
2028	309,908
2029	316,368
2030	309,908
Thereafter	<u>3,109,608</u>
Total	<u>\$ 5,270,198</u>

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, 2025 and 2024.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7 LONG-TERM DEBT**

At December 31, 2025 and 2024, long-term debt consisted of the following:

	<u>2025</u>	<u>2024</u>
<b><u>GLDC</u></b>		
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.	\$ 402,435	\$ 462,435
Loan payable to Mohawk Valley Rehabilitation Corporation due December 29, 2025 which was used to provide working capital. The loan was unsecured and was repaid with monthly principal payments only \$3,502, including interest at 2.44% per annum. The loan was paid in full during the 2025 year.	0	41,474
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.	26,674	55,085
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. The loan is currently being repaid with monthly payments in the amount of \$4,808 until maturity, including interest at 4% per annum.	546,174	581,257

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 7 LONG-TERM DEBT (Continued)

	<u>2025</u>	<u>2024</u>
<p>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 \$15,658 and \$17,922 at December 31, 2025 and 2024, 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. The loan is currently being repaid with monthly payments in the amount of \$22,050 until maturity, including interest at 3.91% per annum.</p>	2,504,086	2,664,093
<p>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 \$28,463 and \$33,485 at December 31, 2025 and 2024, 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.</p>	1,171,804	1,353,476
<p><b><u>Cardinal Griffiss Realty, LLC</u></b></p>		
<p>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 \$9,573 and \$11,258 at December 31, 2025 and 2024, 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.</p>	2,076,427	2,231,447

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7 LONG-TERM DEBT (Continued)**

	<u>2025</u>	<u>2024</u>
<b><u>99 Otis St, LLC</u></b>		
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 \$19,324 and \$23,254 at December 31, 2025 and 2024, respectively. The loan is currently being repaid with monthly payments of \$15,058, including interest at 3.38% per annum.	2,088,402	2,190,956
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 \$7,853 and \$8,695 at December 31, 2025 and 2024, 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.	354,623	385,198
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 \$4,872 and \$5,394 at December 31, 2025 and 2024, 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 \$2,774, including interest at 4% per annum.	254,051	275,958

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7 LONG-TERM DEBT (Continued)**

	<u>2025</u>	<u>2024</u>
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 \$8,568 and \$9,374 at December 31, 2025 and 2024, respectively. The loan is currently being repaid with monthly payments of \$4,516, including interest at 3.79% per annum.		
Total	<u>465,054</u>	<u>499,505</u>
Less: Current Maturities of Long-Term Debt	<u>9,889,729</u>	<u>10,740,884</u>
Total Long-Term Debt	<u>834,608</u>	<u>850,175</u>
	<u>\$ 9,055,121</u>	<u>\$ 9,890,709</u>

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

<u>Years</u>	<u>99 Otis St.</u> <u>Amount</u>	<u>CGR</u> <u>Amount</u>	<u>GLDC</u> <u>Amount</u>	<u>Total</u> <u>Amount</u>
2026	\$ 196,780	\$ 160,780	\$ 477,048	\$ 834,608
2027	204,333	166,657	748,064	1,119,054
2028	211,948	172,574	421,153	805,675
2029	220,290	179,051	437,910	837,251
2030	1,746,283	185,589	454,995	2,386,867
Thereafter	<u>582,496</u>	<u>1,211,776</u>	<u>2,112,002</u>	<u>3,906,274</u>
Total	<u>\$ 3,162,130</u>	<u>\$ 2,076,427</u>	<u>\$ 4,651,172</u>	<u>\$ 9,889,729</u>

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, 2025 and 2024 was \$404,472 and \$439,087, 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. At December 31, 2025 and 2024, the balance of the loan is \$4,197,615 and \$4,233,411, respectively.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7 LONG-TERM DEBT (Continued)**

All intercompany loans have been eliminated through consolidation.

The Corporation's long-term debt agreements contain certain covenants, primarily various debt service coverage ratios with one financial institution. The Corporation was in compliance with the covenants for the years ended December 31, 2025 and 2024.

**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:

	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance, January 1, 2024	\$ 2,169,572	\$ 1,752,741	\$ 3,922,313
Excess of Revenue over Expenses	<u>3,911</u>	<u>3,200</u>	<u>7,111</u>
Balance, December 31, 2024	\$ <u>2,173,483</u>	\$ <u>1,755,941</u>	\$ <u>3,929,424</u>
Excess of Revenue over Expenses	<u>10,423</u>	<u>8,528</u>	<u>18,951</u>
Balance, December 31, 2025	\$ <u>2,183,906</u>	\$ <u>1,764,469</u>	\$ <u>3,948,375</u>

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

Balance, January 1, 2024	\$ <u>1,680,045</u>
Excess of Revenue over Expenses	<u>153,252</u>
Balance, December 31, 2024	\$ <u>1,833,297</u>
Excess of Revenue over Expenses	<u>142,774</u>
Loss on Impairment of Property	<u>(2,837,927)</u>
Balance (Deficit), December 31, 2025	\$ <u>(861,856)</u>

**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 2025 and 2024 amounted to \$73,762 and \$68,442, respectively. At December 31, 2025 and 2024, GLDC had unpaid contributions due to the plan in the amount of \$883 and \$3,018, 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 \$135,374 and \$130,047, respectively, for the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, GLDC had amounts due from Griffiss Utility Services Corporation (GUSC) of \$51,430 and \$52,393, respectively.

# GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10 RELATED PARTY TRANSACTIONS (Continued)

GLDC, CGR, and 99 Otis St. pay GUSC for electric costs incurred for their leased properties. Utility expenses for the years ended December 31, 2025 and 2024 was \$163,888 and \$136,232, respectively. At December 31, 2025 and 2024, GLDC, CGR and 99 Otis St. had amounts due to GUSC of \$14,389 and \$14,028, 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:

	<u>2025</u>	<u>2024</u>
Program Services		
Redevelopment and Leasing	\$ 5,999,161	\$ 5,596,416
Marketing and Promotion	19,446	27,807
Supporting Services		
Management and General	465,927	292,180
Total Expenses	<u>\$ 6,484,534</u>	<u>\$ 5,916,403</u>

### NOTE 14 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 26, 2026, the date on which the consolidated financial statements were available to be issued.

On March 19, 2026, CGR closed on the sale of property identified as held for sale at December 31, 2025. See Note 5 for additional information. In addition, proceeds from the sale were used to pay off two outstanding Adirondack Bank loans totaling \$3,237,197 as of the date of the sale, which were related to construction and improvements on the property sold.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 14 SUBSEQUENT EVENTS (Continued)**

On February 27, 2026, GLDC entered into a purchase and sale agreement, for approximately \$594,000, with a local business for purchase of property located within Griffiss Business and Technology Park. In addition, in March 2026, GLDC closed on a loan agreement with EDGE for \$500,000 related to demolition of a building which is located on this property to prepare it for sale.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**December 31, 2025**

Assets	GLDC	CGR	99 Otis St.	Combined Balance	Consolidation Elimination	Final Balance
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 1,967,756	\$ 1,332,411	\$ 708,880	\$ 4,009,047	\$ 2,221	\$ 4,011,268
Accounts Receivable, Net	218,999	0	8,977	227,976	0	227,976
Due from Related Organizations	94,465	0	0	94,465	(43,035)	51,430
Grants Receivable	565,957	0	0	565,957	0	565,957
Loan Participation Note - Current	8,061	0	0	8,061	0	8,061
Prepaid Assets - Current	3,418	0	19,251	22,669	0	22,669
Lease Receivable - Current	5,065	23,135	17,273	45,473	0	45,473
Assets Held for Sale	<u>0</u>	<u>4,190,229</u>	<u>0</u>	<u>4,190,229</u>	<u>0</u>	<u>4,190,229</u>
Total Current Assets	<u>2,863,721</u>	<u>5,545,775</u>	<u>754,381</u>	<u>9,163,877</u>	<u>(40,814)</u>	<u>9,123,063</u>
<b>Property</b>						
Land	2,158,023	0	125,000	2,283,023	0	2,283,023
Construction in Progress	11,250	0	0	11,250	0	11,250
Buildings and Site Improvements	27,745,523	0	7,762,778	35,508,301	0	35,508,301
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	250,266	0	0	250,266	0	250,266
Furniture, Fixtures, and Equipment	1,008,021	0	21,404	1,029,425	0	1,029,425
Vehicles and Automotive Equipment	<u>303,576</u>	<u>0</u>	<u>0</u>	<u>303,576</u>	<u>0</u>	<u>303,576</u>
Total Property	38,949,697	0	7,909,182	46,858,879	0	46,858,879
Accumulated Depreciation	<u>(29,779,031)</u>	<u>0</u>	<u>(1,751,844)</u>	<u>(31,530,875)</u>	<u>0</u>	<u>(31,530,875)</u>
Net Property	<u>9,170,666</u>	<u>0</u>	<u>6,157,338</u>	<u>15,328,004</u>	<u>0</u>	<u>15,328,004</u>
<b>Other Long-Term Assets</b>						
Investment in Subsidiaries	3,212,800	0	0	3,212,800	(3,212,800)	0
Note Receivable from Related Organization	4,197,614	0	0	4,197,614	(4,197,614)	0
Lease Receivable	48,163	0	222,066	270,229	0	270,229
Loan Participation Note	112,521	0	0	112,521	0	112,521
Lease Acquisition Costs, Net	100,850	0	32,767	133,617	0	133,617
Project Costs, Net	4,028,028	0	0	4,028,028	0	4,028,028
Goodwill	<u>132,000</u>	<u>0</u>	<u>0</u>	<u>132,000</u>	<u>0</u>	<u>132,000</u>
Total Other Long-Term Assets	<u>11,831,976</u>	<u>0</u>	<u>254,833</u>	<u>12,086,809</u>	<u>(7,410,414)</u>	<u>4,676,395</u>
<b>Total Assets</b>	<u>\$ 23,866,363</u>	<u>\$ 5,545,775</u>	<u>\$ 7,166,552</u>	<u>\$ 36,578,690</u>	<u>\$ (7,451,228)</u>	<u>\$ 29,127,462</u>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Expenses	\$ 871,157	\$ 99,211	\$ 16,682	\$ 987,050	\$ 0	\$ 987,050
Due to Related Organization	11,807	34,379	9,017	55,203	(40,814)	14,389
Deferred Revenue	59,721	0	30,350	90,071	0	90,071
Current Maturities of Long-Term Debt	<u>477,048</u>	<u>160,780</u>	<u>196,780</u>	<u>834,608</u>	<u>0</u>	<u>834,608</u>
Total Current Liabilities	<u>1,419,733</u>	<u>294,370</u>	<u>252,829</u>	<u>1,966,932</u>	<u>(40,814)</u>	<u>1,926,118</u>
<b>Long-Term Liabilities</b>						
Capital Improvement Reserve	424,510	0	0	424,510	0	424,510
Railroad Improvement Fund	120,000	0	0	120,000	0	120,000
Skyline Gateway Redevelopment Fund	393,769	0	0	393,769	0	393,769
Compensated Absences	62,906	0	0	62,906	0	62,906
Long-Term Debt	<u>4,174,125</u>	<u>6,113,261</u>	<u>2,965,349</u>	<u>13,252,735</u>	<u>(4,197,614)</u>	<u>9,055,121</u>
Total Long-Term Liabilities	<u>5,175,310</u>	<u>6,113,261</u>	<u>2,965,349</u>	<u>14,253,920</u>	<u>(4,197,614)</u>	<u>10,056,306</u>
<b>Net Assets</b>						
Members' Equity	0	(861,856)	3,948,374	3,086,518	(3,212,800)	(126,282)
Net Assets without Donor Restrictions	<u>17,271,320</u>	<u>0</u>	<u>0</u>	<u>17,271,320</u>	<u>0</u>	<u>17,271,320</u>
Total Net Assets (Deficit)	<u>17,271,320</u>	<u>(861,856)</u>	<u>3,948,374</u>	<u>20,357,838</u>	<u>(3,212,800)</u>	<u>17,145,038</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 23,866,363</u>	<u>\$ 5,545,775</u>	<u>\$ 7,166,552</u>	<u>\$ 36,578,690</u>	<u>\$ (7,451,228)</u>	<u>\$ 29,127,462</u>

See Independent Auditor's Report.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**For the Year Ended December 31, 2025**

	<u>GLDC</u>	<u>CGR</u>	<u>99 Otis St.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
<b>Revenue and Support</b>						
Building Lease Income	\$ 1,646,352	\$ 1,019,509	\$ 667,674	\$ 3,333,535	\$ 0	\$ 3,333,535
Other Lease Related Income	355,132	20,820	9,883	385,835	0	385,835
Federal Grants	383,061	0	0	383,061	0	383,061
New York State Grants	95,765	0	0	95,765	0	95,765
Interest Income	54,903	18,450	12,346	85,699	0	85,699
Payments In Lieu of Taxes	505,095	0	0	505,095	0	505,095
Project Development Fees	105,853	0	0	105,853	(105,853)	0
Reimbursements and Refunds	817,896	0	3,598	821,494	0	821,494
Snowplowing and Lawn Maintenance	459,496	0	0	459,496	(56,911)	402,585
Other Income	244,738	0	0	244,738	(39,991)	204,747
Total Revenue and Support	<u>4,668,291</u>	<u>1,058,779</u>	<u>693,501</u>	<u>6,420,571</u>	<u>(202,755)</u>	<u>6,217,816</u>
<b>Expenses</b>						
Program Services						
Redevelopment and Leasing	3,396,211	615,556	321,228	4,332,995	(202,755)	4,130,240
Marketing and Promotion	19,446	0	0	19,446	0	19,446
Supporting Services						
Management and General	419,616	25,535	20,776	465,927	0	465,927
Total Expenses	<u>3,835,273</u>	<u>641,091</u>	<u>342,004</u>	<u>4,818,368</u>	<u>(202,755)</u>	<u>4,615,613</u>
<b>Increase in Net Assets Before Other Changes</b>	<u>833,018</u>	<u>417,688</u>	<u>351,497</u>	<u>1,602,203</u>	<u>0</u>	<u>1,602,203</u>
<b>Other Changes</b>						
Depreciation and Amortization Expense	(1,261,460)	(274,914)	(332,547)	(1,868,921)	0	(1,868,921)
Net (Loss) on Impairment of Property	0	(2,837,927)	0	(2,837,927)	0	(2,837,927)
Total Other Changes	<u>(1,261,460)</u>	<u>(3,112,841)</u>	<u>(332,547)</u>	<u>(4,706,848)</u>	<u>0</u>	<u>(4,706,848)</u>
<b>Increase (Decrease) in Net Assets</b>	(428,442)	(2,695,153)	18,950	(3,104,645)	0	(3,104,645)
<b>Net Assets, Beginning of Year</b>	<u>17,699,762</u>	<u>1,833,297</u>	<u>3,929,424</u>	<u>23,462,483</u>	<u>(3,212,800)</u>	<u>20,249,683</u>
<b>Net Assets (Deficit), End of Year</b>	<u>\$ 17,271,320</u>	<u>\$ (861,856)</u>	<u>\$ 3,948,374</u>	<u>\$ 20,357,838</u>	<u>\$ (3,212,800)</u>	<u>\$ 17,145,038</u>

See Independent Auditor's Report.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**December 31, 2024**

	<u>GLDC</u>	<u>CGR</u>	<u>99 Otis St.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 2,485,478	\$ 1,011,407	\$ 599,082	\$ 4,095,967	\$ 8,766	\$ 4,104,733
Accounts Receivable, Net	120,898	0	6,843	127,741	0	127,741
Due from Related Organizations	117,058	0	0	117,058	(64,665)	52,393
Grants Receivable	52,066	0	0	52,066	0	52,066
Loan Participation Note - Current	7,746	0	0	7,746	0	7,746
Prepaid Assets - Current	6,685	0	18,432	25,117	0	25,117
Lease Receivable - Current	11,189	27,760	10,102	49,051	0	49,051
Total Current Assets	<u>2,801,120</u>	<u>1,039,167</u>	<u>634,459</u>	<u>4,474,746</u>	<u>(55,899)</u>	<u>4,418,847</u>
<b>Property</b>						
Land	2,158,023	562,500	125,000	2,845,523	0	2,845,523
Building and Site Improvements	26,765,566	9,773,239	7,762,778	44,301,583	0	44,301,583
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	250,266	7,396	0	257,662	0	257,662
Furniture, Fixtures, and Equipment	970,889	130,416	21,404	1,122,709	0	1,122,709
Vehicles and Automotive Equipment	303,576	0	0	303,576	0	303,576
Total Property	37,921,358	10,473,551	7,909,182	56,304,091	0	56,304,091
Accumulated Depreciation	(28,982,312)	(3,170,481)	(1,438,956)	(33,591,749)	0	(33,591,749)
Net Property	<u>8,939,046</u>	<u>7,303,070</u>	<u>6,470,226</u>	<u>22,712,342</u>	<u>0</u>	<u>22,712,342</u>
<b>Other Long-Term Assets</b>						
Investment in Subsidiary	3,212,800	0	0	3,212,800	(3,212,800)	0
Note Receivable from Related Organization	4,233,441	0	0	4,233,441	(4,233,441)	0
Lease Receivable	43,069	23,135	224,994	291,198	0	291,198
Loan Participation Note	121,214	0	0	121,214	0	121,214
Lease Acquisition Costs, Net	148,587	0	52,426	201,013	0	201,013
Project Costs, Net	4,432,549	0	0	4,432,549	0	4,432,549
Goodwill	132,000	0	0	132,000	0	132,000
Total Other Long-Term Assets	<u>12,323,660</u>	<u>23,135</u>	<u>277,420</u>	<u>12,624,215</u>	<u>(7,446,241)</u>	<u>5,177,974</u>
<b>Total Assets</b>	<u>\$ 24,063,826</u>	<u>\$ 8,365,372</u>	<u>\$ 7,382,105</u>	<u>\$ 39,811,303</u>	<u>\$ (7,502,140)</u>	<u>\$ 32,309,163</u>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Expenses	\$ 196,144	\$ 15,105	\$ 36,007	\$ 247,256	\$ 0	\$ 247,256
Due to Related Organization	9,165	52,082	8,680	69,927	(55,899)	14,028
Deferred Revenue	78,844	0	56,377	135,221	0	135,221
Current Maturities of Long-Term Debt	505,567	155,108	189,500	850,175	0	850,175
Total Current Liabilities	<u>789,720</u>	<u>222,295</u>	<u>290,564</u>	<u>1,302,579</u>	<u>(55,899)</u>	<u>1,246,680</u>
<b>Long-Term Liabilities</b>						
Capital Improvement Reserve	424,511	0	0	424,511	0	424,511
Railroad Improvement Fund	105,000	0	0	105,000	0	105,000
Skyline Gateway Redevelopment Fund	333,201	0	0	333,201	0	333,201
Compensated Absences	59,379	0	0	59,379	0	59,379
Long-Term Debt	4,652,253	6,309,780	3,162,117	14,124,150	(4,233,441)	9,890,709
Total Long-Term Liabilities	<u>5,574,344</u>	<u>6,309,780</u>	<u>3,162,117</u>	<u>15,046,241</u>	<u>(4,233,441)</u>	<u>10,812,800</u>
<b>Net Assets</b>						
Member's Equity	0	1,833,297	3,929,424	5,762,721	(3,212,800)	2,549,921
Net Assets without Donor Restrictions	17,699,762	0	0	17,699,762	0	17,699,762
Total Net Assets	<u>17,699,762</u>	<u>1,833,297</u>	<u>3,929,424</u>	<u>23,462,483</u>	<u>(3,212,800)</u>	<u>20,249,683</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 24,063,826</u>	<u>\$ 8,365,372</u>	<u>\$ 7,382,105</u>	<u>\$ 39,811,303</u>	<u>\$ (7,502,140)</u>	<u>\$ 32,309,163</u>

See Independent Auditor's Report.

**GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATING SCHEDULE OF ACTIVITIES**

**For the Year Ended December 31, 2024**

	<u>GLDC</u>	<u>CGR</u>	<u>99 Otis St.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
<b>Revenue and Support</b>						
Building Lease Income	\$ 1,717,996	\$ 1,019,509	\$ 667,677	\$ 3,405,182	\$ 0	\$ 3,405,182
Other Lease Related Income	352,301	20,819	9,883	383,003	0	383,003
Federal Grants	517,880	0	0	517,880	0	517,880
New York State Grants	37,620	0	0	37,620	0	37,620
Interest Income	47,685	21,170	9,539	78,394	0	78,394
Payments In Lieu of Taxes	505,095	0	0	505,095	0	505,095
Project Development Fees	105,853	0	0	105,853	(105,853)	0
Reimbursements and Refunds	201,379	0	17,639	219,018	0	219,018
Snowplowing and Lawn Maintenance	450,634	0	0	450,634	(56,911)	393,723
Other Income	<u>278,704</u>	<u>0</u>	<u>0</u>	<u>278,704</u>	<u>(37,630)</u>	<u>241,074</u>
Total Revenue and Support	<u>4,215,147</u>	<u>1,061,498</u>	<u>704,738</u>	<u>5,981,383</u>	<u>(200,394)</u>	<u>5,780,989</u>
<b>Expenses</b>						
Program Services						
Redevelopment and Leasing	2,788,046	617,021	352,210	3,757,277	(200,394)	3,556,883
Marketing and Promotion	27,807	0	0	27,807	0	27,807
Supporting Services						
Management and General	<u>262,476</u>	<u>16,836</u>	<u>12,868</u>	<u>292,180</u>	<u>0</u>	<u>292,180</u>
Total Expenses	<u>3,078,329</u>	<u>633,857</u>	<u>365,078</u>	<u>4,077,264</u>	<u>(200,394)</u>	<u>3,876,870</u>
<b>Increase in Net Assets Before Other Changes</b>	1,136,818	427,641	339,660	1,904,119	0	1,904,119
<b>Other Changes</b>						
Depreciation and Amortization Expense	<u>(1,432,595)</u>	<u>(274,389)</u>	<u>(332,549)</u>	<u>(2,039,533)</u>	<u>0</u>	<u>(2,039,533)</u>
<b>Increase (Decrease) in Net Assets</b>	(295,777)	153,252	7,111	(135,414)	0	(135,414)
<b>Net Assets , Beginning of Year</b>	<u>17,995,539</u>	<u>1,680,045</u>	<u>3,922,313</u>	<u>23,597,897</u>	<u>(3,212,800)</u>	<u>20,385,097</u>
<b>Net Assets, End of Year</b>	<u>\$ 17,699,762</u>	<u>\$ 1,833,297</u>	<u>\$ 3,929,424</u>	<u>\$ 23,462,483</u>	<u>\$ (3,212,800)</u>	<u>\$ 20,249,683</u>

See Independent Auditor's Report.