

GRIFFISS LOCAL
DEVELOPMENT
CORPORATION AND
SUBSIDIARY

For the Year Ended
December 31, 2011

CONSOLIDATED
FINANCIAL STATEMENTS
AND SUPPLEMENTAL
SCHEDULES

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	2-3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6-18
SUPPLEMENTAL SCHEDULES	
Consolidating Schedule of Financial Position at December 31, 2011	19
Consolidating Schedule of Activities for the Year Ended December 31, 2011	20
Consolidating Schedule of Financial Position at December 31, 2010	21
Consolidating Schedule of Activities for the Year Ended December 31, 2010	22

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report

Board of Directors

Griffiss Local Development Corporation and Subsidiary

We have audited the accompanying consolidated statements of financial position of Griffiss Local Development Corporation and Subsidiary as of December 31, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 Subsidiary as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis and are 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 information has been subjected to the auditing procedures applied in the audit 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 24, 2012

Utica, New York

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash	\$ 4,636,012	\$ 8,912,378
Grants Receivable	751,632	1,017,606
Accounts Receivable, Net	97,512	71,811
Notes Receivable from Related Organization - Current	126,008	120,671
Due from Related Organizations	395	250,063
Prepaid Expenditures	<u>21,328</u>	<u>194,436</u>
Total Current Assets	<u>5,632,887</u>	<u>10,566,965</u>
Property		
Land	583,233	583,233
Construction in Progress	0	2,358,736
Building and Site Improvements	33,333,559	24,738,955
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	222,687	215,291
Office Equipment	342,435	188,906
Vehicles and Automotive Equipment	<u>211,961</u>	<u>191,808</u>
Total Property	42,166,913	35,749,967
Accumulated Depreciation	<u>16,745,267</u>	<u>15,433,256</u>
Net Property	<u>25,421,646</u>	<u>20,316,711</u>
Other Long-Term Assets		
Notes Receivable from Related Organization	741,151	856,885
Note Receivable	6,622,200	6,622,200
Project Costs (Net of Accumulated Amortization)	7,740,597	8,356,289
Goodwill	<u>132,000</u>	<u>0</u>
Total Other Long-Term Assets	<u>15,235,948</u>	<u>15,835,374</u>
Total Assets	<u>\$ 46,290,481</u>	<u>\$ 46,719,050</u>

(Continued)

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

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2011 and 2010

(Continued)

	<u>2011</u>	<u>2010</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 492,263	\$ 864,093
Current Maturities of Debt	1,252,096	1,100,302
Refundable Advances	83,768	31,471
Deposits	14,700	7,500
Due to Related Organization	192	7,645
Total Current Liabilities	<u>1,843,019</u>	<u>2,011,011</u>
Long-Term Liabilities		
Capital Improvement Reserve	167,999	230,700
Compensated Absences	18,710	19,437
Long-Term Debt	<u>19,339,143</u>	<u>19,088,519</u>
Total Long-Term Liabilities	<u>19,525,852</u>	<u>19,338,656</u>
Net Assets		
Members' Accumulated Deficit	(376,441)	(912,903)
Unrestricted	<u>25,298,051</u>	<u>26,282,286</u>
Total Net Assets	<u>24,921,610</u>	<u>25,369,383</u>
Total Liabilities and Net Assets	<u>\$ 46,290,481</u>	<u>\$ 46,719,050</u>

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

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Support		
New York State Grants	\$ 750,000	\$ 1,798,253
Building Lease Income	1,959,671	1,726,888
Other Lease Related Income	417,552	362,375
Gain on Sale of Property	168,711	680,370
Payments In Lieu of Taxes	1,151,814	1,196,163
Project Development Fees	0	8,069
Reimbursements and Refunds	104,629	1,372,606
Interest Income	227,522	131,613
Other Income	424,917	233,888
Total Revenue and Support	<u>5,204,816</u>	<u>7,510,225</u>
Expenses		
Program Services		
Redevelopment and Leasing	5,374,263	5,467,061
Marketing and Promotion	30,578	23,377
Supporting Services		
Management and General	247,748	229,169
Total Expenses	<u>5,652,589</u>	<u>5,719,607</u>
Increase (Decrease) in Net Assets	(447,773)	1,790,618
Net Assets, Beginning of Year	<u>25,369,383</u>	<u>23,578,765</u>
Net Assets, End of Year	<u>\$ 24,921,610</u>	<u>\$ 25,369,383</u>

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

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from (Used By) Operating Activities		
Increase (Decrease) in Net Assets	\$ (447,773)	\$ 1,790,618
Adjustments for Noncash Transactions		
Depreciation and Amortization	1,927,703	1,799,165
(Gain) on Sale of Property	(168,711)	(680,370)
Change in Allowance for Uncollectibles	4,057	0
(Increase) Decrease in Assets		
Grants Receivable	265,974	48,796
Accounts Receivable	(29,758)	168,635
Due from Related Organizations	249,668	(249,599)
Prepaid Expenditures	173,108	340
Increase (Decrease) in Liabilities		
Accounts Payable	(371,830)	(1,097,689)
Refundable Advances	52,297	(268,534)
Deposits	7,200	0
Due to Related Organization	(7,453)	(354,967)
Compensated Absences	(727)	4,834
Net Cash Flows from Operating Activities	<u>1,653,755</u>	<u>1,161,229</u>
Cash Flows from (Used By) Investing Activities		
Proceeds on Sale of Property	168,711	140,862
Loans Granted	0	(6,622,200)
Collections on Loans	110,397	115,107
Capital Improvement Reserve	(62,701)	(80,957)
Capital Expenditures	(6,258,946)	(4,449,799)
Acquisition of a Business	(290,000)	0
Net Cash (Used By) Investing Activities	<u>(6,332,539)</u>	<u>(10,896,987)</u>
Cash Flows from (Used by) Financing Activities		
Proceeds of Line of Credit	0	1,500,000
Payment of Line of Credit	0	(1,500,000)
Proceeds of Long-Term Debt	2,542,016	14,089,506
Payment of Long-Term Debt	(2,139,598)	(878,031)
Net Cash Flows from Financing Activities	<u>402,418</u>	<u>13,211,475</u>
Net Increase (Decrease) in Cash	(4,276,366)	3,475,717
Cash, Beginning of Year	<u>8,912,378</u>	<u>5,436,661</u>
Cash, End of Year	<u>\$ 4,636,012</u>	<u>\$ 8,912,378</u>
Supplemental Cash Flow Disclosures		
Cash Paid During the Year For:		
Interest	<u>\$ 525,429</u>	<u>\$ 352,696</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 SUBSIDIARY

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, among other things, developing 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 along with revenues generated from interest income on deposits, other income, payments in lieu of taxes (PILOTs) and other related income. In addition, GLDC receives grants from New York State. 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 subsidiary, Cardinal Griffiss Realty, LLC (CGR). 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 non-controlling (.01%) interest in CGR.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These consolidated financial statements, presented on the accrual basis of accounting, have been prepared to focus on the entity 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 three classes: permanently restricted, temporarily restricted, or unrestricted. At December 31, 2011 and 2010, GLDC only maintained unrestricted net assets.

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.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are recorded at cost, less an allowance for uncollectibles. 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 was \$20,663 and \$16,606 at each of the years ended December 31, 2011 and 2010. Grants receivable and notes receivable have been deemed to be fully collectible, and an allowance has not been established.

Property and Depreciation

GLDC capitalizes certain expenditures for land, building and site improvements, roadways and improvements, railways and improvements, utility improvements, signage, and vehicles and automotive equipment located in the Griffiss Business and Technology Park. GLDC also capitalizes expenditures for office equipment which exceed \$500. 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 provided 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	3-20 Years
Signage, Office Equipment, and Vehicles and Automotive Equipment	5 Years

CGR has recorded the total costs incurred for construction of a building. These costs include interest costs on related debt, which were capitalized until the building was placed in service. The building will be depreciated over 39.5 years, the estimated useful life, using the straight-line method of depreciation.

Project Costs

GLDC has developed and financed a portion of the infrastructure and site improvements necessary to support the Family Dollar Services, Inc. Distribution Center (Family Dollar) that opened in 2006 at the Griffiss Business and Technology Park. GLDC is being reimbursed for these costs, which totaled \$6,624,606 at each of the years ended December 31, 2011 and 2010, through a Payment in Lieu of Tax (PILOT)/Tax Incentive Financing (TIF) agreement. The agreement is for a 15 year period of time ending in 2022. The PILOT/TIF agreement includes the Oneida County Industrial Development Agency (OCIDA), County of Oneida, City of Rome, Rome City School District as well as Family Dollar and GLDC. The PILOT/TIF agreement requires Family Dollar to pay the entire annual PILOT amount directly to the OCIDA each year, from the PILOT payments made

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

by Family Dollar. Each year, OCIDA reimburses GLDC in an amount equal to GLDC's annual debt service on Family Dollar Project Cost and then pays each taxing jurisdiction their share of the PILOT payment. GLDC amortizes the project costs over the same 15 year period of time as the PILOT. The net balance of the project costs after amortization is \$4,355,659 and \$4,810,162 at December 31, 2011 and 2010, respectively. The impact of the project on GLDC is revenue/expenditure neutral.

GLDC has also 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 at each of the years ended December 31, 2011 and 2010, through a PILOT/TIF. The agreement is for 25 years ending in 2032. The PILOT/TIF agreement includes the OCIDA, County of Oneida, City of Rome, Rome City School District as well as Sovena USA and GLDC. The PILOT/TIF agreement requires Sovena USA to pay the entire PILOT amount directly to the OCIDA annually from the PILOT payment made by Sovena USA 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 its share of the remaining PILOT payments. GLDC amortizes these costs over the same 25 year period of time as the PILOT. The net balance of these costs after amortization is \$3,384,938 and \$3,546,127 at December 31, 2011 and 2010, respectively. 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 will be tested for impairment annually. No adjustments were made for impairment losses for the year ended December 31, 2011.

Advertising

GLDC expenses all advertising costs as incurred. For the years ended December 31, 2011 and 2010, amounts expensed to advertising and promotion totaled \$16,947 and \$21,501, respectively.

Refundable Advances

Refundable advances consist of grant monies received in excess of related expenditures.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Certain costs have been allocated among the following program and supporting services as follows:

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Marketing and Promotion - Includes all direct and indirect expenses attributable to the marketing and promotion of the Griffiss Business and Technology Park facilities.

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

Reclassification

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year 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. 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. The Corporation's Federal and State informational returns for the years 2008 through 2010 remain subject to examination by the respective taxing authorities.

Cardinal Griffiss Realty, LLC is treated as a partnership for income tax purposes. Due to the members' (GLDC and EDGE) not-for-profit status, the LLC is considered a disregarded entity and is not subject to income taxes. Consequently, no provision for income taxes is required in the accompanying consolidated financial statements.

NOTE 3 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject GLDC and its subsidiary to a concentration of credit risk consist principally of cash. At December 31, 2011 and 2010 GLDC maintained bank accounts at three financial institutions which were in excess of Federal Deposit Insurance Corporation (FDIC) coverage limits; however management considers this to be a normal business risk.

NOTE 4 PROPERTY/BUILDING LEASES

GLDC has entered into certain lease agreements with the United States Air Force (USAF) for various buildings located in the Griffiss Business and Technology Park. The terms of the lease with the USAF range from 1 to 40 years. There are no lease payments due to the USAF from GLDC for the property covered by these leases based on an agreement made between both parties. The USAF conveyed various parcels of the property at the base known as "F Parcels" to OCIDA. GLDC leases the F Parcels from OCIDA pursuant to various leases having a term of ten years. GLDC also has the right to sublease these parcels.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 PROPERTY/BUILDING LEASES (Continued)

GLDC subleases the commercial space to several third parties under noncancelable operating leases. The terms of the leases range from 1 to 5 years with various renewal options with lease payments ranging from \$12,000 to \$475,780 annually over the terms of the leases. Total lease income received for the years ended December 31, 2011 and 2010, was \$1,847,457 and \$1,726,888, respectively.

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

<u>Year</u>	<u>Lease Income</u>
2011	\$ 1,765,000
2012	\$ 1,733,000
2013	\$ 1,762,000
2014	\$ 1,802,000
2015	\$ 1,821,000

During 2011, CGR sub-leased a 46,305 square foot building constructed at 153 Brooks Road, Rome, NY to Assured Information Security, Inc. The 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. Lease revenue for the year ended December 31, 2011 was \$112,214.

The following is a schedule of future minimum rentals for lease income under terms of the lease agreement in effect at December 31, 2011:

<u>Year</u>	<u>Amount</u>
2012	\$ 692,036
2013	\$ 785,796
2014	\$ 785,796
2015	\$ 785,796
2016	\$ 796,809

NOTE 5 NOTES RECEIVABLE

GLDC has an outstanding note receivable from GLDC Investment Fund, LLC in the amount of \$6,622,200 at December 31, 2011 and 2010. The proceeds of the loan were used to make a qualified equity investment in the Enhanced Capital New Market Development Fund V, LLC (the CDE). The CDE in turn has made a low-income community investment in Cardinal Griffiss Realty, LLC. The transaction enables receipt of Federal New Markets Tax Credits, helps finance certain acquisition and construction costs in connection with the Assured Information Security Project, and assists in payment of transactional costs and expenses. The note is collateralized by a first priority security interest in the CDE. Currently, the borrower is making monthly interest-only payments at a rate of 2.39% per annum until October 5, 2017. Commencing on September 1, 2017, payment of principal and interest calculated based on full amortization of the loan will begin, until maturity on February 1, 2035.

At December 31, 2011 and 2010, GLDC had an outstanding note receivable of \$867,159 and \$977,556, respectively, from EDGE for the purpose of investing in 394 Hangar Road Corporation. The note is due January 1, 2018, and is being repaid by monthly payments of \$13,693 including interest at 4.73%.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT

At December 31, 2011 and 2010, long-term debt consisted of the following:

	<u>2011</u>	<u>2010</u>
<u>GLDC</u>		
<u>Related-Party Debt</u>		
Loan payable to EDGE for the Family Dollar Project. The loan is being repaid by monthly payments of \$3,954 including interest at 5.00% per annum, and includes a final balloon payment of \$209,523 due on April 1, 2016. The loan is collateralized by a subordinated position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Family Dollar Distribution Center Project as described in Note 1.	\$ 353,296	\$ 382,288
Loan payable to EDGE due May 1, 2020 for the expansion and improvement of a building at 725 Daedalian Drive, Rome, NY. The loan is unsecured and is currently being repaid by monthly payments of \$1,961, including interest at 4.00% per annum.	167,965	177,646
Loan payable to EDGE due May 1, 2020 for the expansion and improvement of a building at 725 Daedalian Drive, Rome, NY. The loan is unsecured and is currently being repaid by monthly payments of \$2,208, including interest at 4.00% per annum.	189,101	200,000
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 is currently being repaid by monthly interest-only payments of \$1,667 until November 1, 2018. Beginning on December 1, 2018, monthly payments of \$4,116, including interest at 4.00% per annum, will be made.	500,000	500,000
Loan payable to RIDC due November 1, 2026 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		

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
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 interest-only payments of \$250 until October 1, 2011. Beginning on November 1, 2011, monthly payments of \$555, including interest at 4.00% per annum, will be made.	74,389	75,000
<u>Other Long-Term Debt</u>		
Loan payable to M&T Real Estate, Inc. due July 1, 2012 which was being reduced by monthly payments of \$7,998 including interest at 2.75% per annum. This note was collateralized by the first position in the leases of and first mortgage on building #776. The loan balance was paid off during 2011.	0	148,180
Loan payable to Berkshire Bank due March 1, 2014, which was being reduced by monthly payments of \$8,804 including interest at 3.25% per annum. This note was collateralized by the leases of and mortgages on building #778. The loan balance was paid off during 2011.	0	325,411
Loan payable to NBT Bank due May 1, 2016, which is being reduced by monthly payments of \$54,734 including interest at 4.81% per annum. This 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 Family Dollar Distribution Center Project as described in Note 1.	2,588,593	3,113,462
Loan payable to Mohawk Valley Rehabilitation Corporation due April 1, 2016, which is being reduced by monthly payments of \$1,147 including interest at 5.00% per annum. The monthly payments are based upon a 15-year amortization schedule with a balloon payment of \$61,652 due on April 1, 2016. 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 Family Dollar Distribution Center Project as described in Note 1.	102,490	110,864

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
<p>Loan payable to M&T Bank due January 9, 2017, which is being repaid by monthly interest payments at 6.89% per annum, annual principal payments of \$60,000 and a principal payment of \$960,000 due on January 9, 2017. The annual interest rate will be adjusted on February 1, 2012 to the then current Federal Home Loan Bank five (5) year fixed interest rate plus 1.70%. This 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.</p>	1,252,163	1,320,000
<p>Loan payable to the New York State Department of Transportation (DOT). Funds provided through the DOT Industrial Access Program for roadway improvements to support the Family Dollar project. The loan is interest free and is repayable over 5 years beginning in 2010, in accordance with a repayment schedule provided by the NYS Department of Transportation.</p>	462,000	594,000
<p>Loan payable to MORECO due June 1, 2022, which is being reduced by monthly payments of \$877 including interest at 5.00% per annum and a 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.</p>	134,467	138,165
<p>Loan payable to Oneida Savings bank 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 is currently being repaid by monthly payments of \$4,238, including interest at 6.10% per annum until April 10, 2015.</p>		

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
The annual interest rate may change on this date based on the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of 5 years plus 2.75%. The minimum rate is 5.75%.	331,579	361,219
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 is currently being repaid by monthly interest-only payments of \$667 until November 1, 2018. Beginning on December 1, 2018, monthly payments of \$2,438, including interest at 4.00% per annum, will be made.	200,000	200,000
Loan payable to Oneida Savings 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. It is being repaid by monthly payments of \$8,699, including interest at 6.10% until September 1, 2015. The annual interest rate may change on this date to the rate of the U.S. Treasury Index plus 2.50%, subject to a minimum rate of 4.50%.	706,409	765,726
Loan payable to Oneida Savings 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 interest-only payments of \$10,413 until September 1, 2011. Then, monthly payments of \$23,358, including interest at 5.95% per annum, will be made until September 1, 2016. After that, the annual interest rate may change every		

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
5 years thereafter, to a rate equal to the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of 5 years plus 2.50%, subject to a minimum rate of 4.50%. GLDC is eligible for several grants, which upon receipt, have been Board directed to accelerate principal payments on this loan.	2,037,485	2,776,860
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.	611,662	0
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.	217,041	0
Loan payable to T.J.L. Enterprises, Inc. due January 28, 2016, proceeds of which were used for acquisition of a business. The loan is unsecured and is being repaid with monthly payments of \$1,661, including interest at 4.0% per annum.	74,983	0
Loan payable to T.J.L. Enterprises, Inc. due January 28, 2012, proceeds of which were used for acquisition of a business. The loan is unsecured and is being repaid with monthly payments of \$2,200, including interest at 4.0% per annum.	2,200	0

Cardinal Griffiss Realty, LLC

Loan payable to Enhanced Capital New Market Development Fund V, LLC to finance the Assured Information Security Project for construction of a building. The loan is secured by an assignment of mortgage, leases, and rents covering the land, building, and improvements, as well as a security interest in the deposit accounts maintained. The

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
loan is to be paid with interest-only payments at 1.86% per annum until September 29, 2017. Beginning on that date, monthly payments of \$40,114 will commence until maturity.	9,000,000	9,000,000
Loan payable to Oneida Savings Bank dated September 1, 2010, 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 being repaid with interest-only payments at 4.5% per annum through December 1, 2011. Beginning on January 1, 2012, monthly payments of \$11,313 will be paid at 5.95% interest per annum. Beginning on December 1, 2016, an annual variable interest rate change may apply until maturity.	<u>1,585,416</u>	<u>0</u>
Total	20,591,239	20,188,821
Less Current Maturities of Debt	<u>1,252,096</u>	<u>1,100,302</u>
Total Long-Term Debt	<u>\$19,339,143</u>	<u>\$19,088,519</u>

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

<u>Years</u>	<u>Amount</u>
2012	\$ 1,252,096
2013	1,301,396
2014	1,421,381
2015	1,280,077
2016	992,256
Thereafter	<u>14,344,033</u>
Total	<u>\$ 20,591,239</u>

NOTE 7 MEMBERS' ACCUMULATED DEFICIT

The changes in GLDC's member accumulated deficit are as follows:

Balance at Beginning of Year	\$ (912,903)
Net Income of Cardinal Griffiss Realty, LLC	672,331
Consolidating Entry	<u>(135,869)</u>
Balance at End of Year	<u>\$ (376,441)</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 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 2011 and 2010 amounted to \$23,003 and \$22,534, respectively. At December 31, 2011 and 2010, GLDC did not have any unpaid contributions due to the plan.

NOTE 9 RELATED ORGANIZATIONS

GLDC has a staff services agreement with EDGE, whereby EDGE provides GLDC with professional staff, general administration, and overhead type services. GLDC paid \$486,447 and \$458,913 in administrative service fees to EDGE for the years ended December 31, 2011 and 2010, respectively. At December 31, 2011 and 2010, respectively, GLDC had amounts due from EDGE of \$395 and \$44,659 for services provided by EDGE and 394 Hangar Road Corporation.

GLDC has several long-term loans payable to EDGE and RIDC used to finance construction projects. See Note 6 for details.

GLDC leases various buildings from the OCIDA for \$1.00 annually.

GLDC has an outstanding receivable from OCIDA at December 31, 2011 and 2010, for \$0 and \$190,978, respectively, for a PILOT payment collected by them. GLDC also has a receivable from Griffiss Park Landowner's Association of \$0 and \$14,426 for reimbursement of administrative services at December 31, 2011 and 2010.

GLDC has a note receivable from EDGE used for investing in 394 Hangar Road Corporation. See Note 5 for details.

NOTE 10 LINE OF CREDIT

GLDC has a \$1.5 million unsecured line of credit with one local financial institution at a current interest rate of 4.00%. GLDC did not have an outstanding balance at December 31, 2011 and 2010. The line of credit is in place until August 2012.

NOTE 11 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.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 CONTINGENCIES (Continued)

GLDC has an indemnification agreement with Gaetano Construction in connection with the CGR/AIS Project. This amount cannot be determined at this time.

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.

GLDC is one of the guarantors on a limited portion of the bank indebtedness incurred by Premier Aviation Overhaul Center, Ltd. in connection with the Premier Aviation Project. GLDC's maximum exposure on the guarantee is \$312,500.

NOTE 12 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 24, 2012, the date on which the consolidated financial statements were available to be issued.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2011

	<u>GLDC</u>	<u>CGR</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Assets					
Current Assets					
Cash	\$ 3,994,597	\$ 641,415	\$ 4,636,012	\$ 0	\$ 4,636,012
Grants Receivable	1,632	750,000	751,632	0	751,632
Accounts Receivable, Net	97,512	0	97,512	0	97,512
Note Receivable from Related Organization - Current	126,008	0	126,008	0	126,008
Due from Related Organizations	395	0	395	0	395
Prepaid Expenditures	<u>21,328</u>	<u>0</u>	<u>21,328</u>	<u>0</u>	<u>21,328</u>
Total Current Assets	<u>4,241,472</u>	<u>1,391,415</u>	<u>5,632,887</u>	<u>0</u>	<u>5,632,887</u>
Property					
Land	20,733	562,500	583,233	0	583,233
Building and Site Improvements	24,791,028	8,542,531	33,333,559	0	33,333,559
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	215,291	7,396	222,687	0	222,687
Office Equipment	342,435	0	342,435	0	342,435
Vehicles and Automotive Equipment	<u>211,961</u>	<u>0</u>	<u>211,961</u>	<u>0</u>	<u>211,961</u>
Total Property	33,054,486	9,112,427	42,166,913	0	42,166,913
Accumulated Depreciation	<u>16,709,141</u>	<u>36,126</u>	<u>16,745,267</u>	<u>0</u>	<u>16,745,267</u>
Net Property	<u>16,345,345</u>	<u>9,076,301</u>	<u>25,421,646</u>	<u>0</u>	<u>25,421,646</u>
Other Long-Term Assets					
Investment in Subsidiaries	1,587,800	0	1,587,800	(1,587,800)	0
Notes Receivable from Related Organization	741,151	0	741,151	0	741,151
Note Receivable	6,622,200	0	6,622,200	0	6,622,200
Project Costs (Net of Accumulated Amortization)	7,740,597	0	7,740,597	0	7,740,597
Goodwill	<u>132,000</u>	<u>0</u>	<u>132,000</u>	<u>0</u>	<u>132,000</u>
Total Other Long-Term Assets	<u>16,823,748</u>	<u>0</u>	<u>16,823,748</u>	<u>(1,587,800)</u>	<u>15,235,948</u>
Total Assets	<u>\$ 37,410,565</u>	<u>\$ 10,467,716</u>	<u>\$ 47,878,281</u>	<u>\$ (1,587,800)</u>	<u>\$ 46,290,481</u>
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Accounts Payable	\$ 233,522	\$ 258,741	\$ 492,263	\$ 0	\$ 492,263
Current Maturities of Debt	1,201,470	50,626	1,252,096	0	1,252,096
Refundable Advances	83,768	0	83,768	0	83,768
Deposits	14,700	0	14,700	0	14,700
Due to Related Organization	<u>192</u>	<u>0</u>	<u>192</u>	<u>0</u>	<u>192</u>
Total Current Liabilities	<u>1,533,652</u>	<u>309,367</u>	<u>1,843,019</u>	<u>0</u>	<u>1,843,019</u>
Long-Term Liabilities					
Capital Improvement Reserve	167,999	0	167,999	0	167,999
Compensated Absences	18,710	0	18,710	0	18,710
Long-Term Debt	<u>8,804,353</u>	<u>10,534,790</u>	<u>19,339,143</u>	<u>0</u>	<u>19,339,143</u>
Total Long-Term Liabilities	<u>8,991,062</u>	<u>10,534,790</u>	<u>19,525,852</u>	<u>0</u>	<u>19,525,852</u>
Net Assets (Deficit)					
Members' Accumulated Deficit	0	(376,441)	(376,441)	0	(376,441)
Unrestricted	<u>26,885,851</u>	<u>0</u>	<u>26,885,851</u>	<u>(1,587,800)</u>	<u>25,298,051</u>
Total Net Assets (Deficit)	<u>26,885,851</u>	<u>(376,441)</u>	<u>26,509,410</u>	<u>(1,587,800)</u>	<u>24,921,610</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 37,410,565</u>	<u>\$ 10,467,716</u>	<u>\$ 47,878,281</u>	<u>\$ (1,587,800)</u>	<u>\$ 46,290,481</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2011

	<u>GLDC</u>	<u>CGR</u>	<u>Consolidated Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
Revenue and Support					
New York State Grants	\$ 0	\$ 750,000	\$ 750,000	\$ 0	\$ 750,000
Building Lease Income	1,847,457	112,214	1,959,671	0	1,959,671
Other Lease Related Income	417,552	0	417,552	0	417,552
Gain on Sale of Property	168,711	0	168,711	0	168,711
Payments In Lieu of Taxes	1,151,814	0	1,151,814	0	1,151,814
Reimbursements and Refunds	137,706	0	137,706	(33,077)	104,629
Interest Income	211,089	16,433	227,522	0	227,522
Other Income	424,917	0	424,917	0	424,917
Total Revenue and Support	<u>4,359,246</u>	<u>878,647</u>	<u>5,237,893</u>	<u>(33,077)</u>	<u>5,204,816</u>
Expenses					
Program Services					
Redevelopment and Leasing	5,201,024	206,316	5,407,340	(33,077)	5,374,263
Marketing and Promotion	30,578	0	30,578	0	30,578
Supporting Services					
Management and General	247,748	0	247,748	0	247,748
Total Expenses	<u>5,479,350</u>	<u>206,316</u>	<u>5,685,666</u>	<u>(33,077)</u>	<u>5,652,589</u>
Increase (Decrease) in Net Assets	(1,120,104)	672,331	(447,773)	0	(447,773)
Net Assets (Deficit), Beginning of Year	<u>28,005,955</u>	<u>(1,048,772)</u>	<u>26,957,183</u>	<u>(1,587,800)</u>	<u>25,369,383</u>
Net Assets (Deficit), End of Year	<u>\$ 26,885,851</u>	<u>\$ (376,441)</u>	<u>\$ 26,509,410</u>	<u>\$ (1,587,800)</u>	<u>\$ 24,921,610</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2010

Assets	<u>GLDC</u>	<u>CGR</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Current Assets					
Cash	\$ 3,006,034	\$ 5,906,344	\$ 8,912,378	\$ 0	\$ 8,912,378
Grants Receivable	1,017,606	0	1,017,606	0	1,017,606
Accounts Receivable, Net	71,811	0	71,811	0	71,811
Note Receivable from Related Organization - Current	120,671	0	120,671	0	120,671
Due from Related Organizations	389,111	0	389,111	(139,048)	250,063
Prepaid Expenditures	<u>194,436</u>	<u>0</u>	<u>194,436</u>	<u>0</u>	<u>194,436</u>
Total Current Assets	<u>4,799,669</u>	<u>5,906,344</u>	<u>10,706,013</u>	<u>(139,048)</u>	<u>10,566,965</u>
Property					
Land	20,733	562,500	583,233	0	583,233
Construction in Progress	249,399	2,109,337	2,358,736	0	2,358,736
Building and Site Improvements	24,738,955	0	24,738,955	0	24,738,955
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	215,291	0	215,291	0	215,291
Office Equipment	188,906	0	188,906	0	188,906
Vehicles and Automotive Equipment	<u>191,808</u>	<u>0</u>	<u>191,808</u>	<u>0</u>	<u>191,808</u>
Total Property	33,078,130	2,671,837	35,749,967	0	35,749,967
Accumulated Depreciation	<u>15,433,256</u>	<u>0</u>	<u>15,433,256</u>	<u>0</u>	<u>15,433,256</u>
Net Property	<u>17,644,874</u>	<u>2,671,837</u>	<u>20,316,711</u>	<u>0</u>	<u>20,316,711</u>
Other Long-Term Assets					
Investment in Subsidiaries	1,587,800	0	1,587,800	(1,587,800)	0
Notes Receivable from Related Organizations	856,885	0	856,885	0	856,885
Note Receivable	6,622,200	0	6,622,200	0	6,622,200
Project Costs (Net of Accumulated Amortization)	<u>8,356,289</u>	<u>0</u>	<u>8,356,289</u>	<u>0</u>	<u>8,356,289</u>
Total Other Long-Term Assets	<u>17,423,174</u>	<u>0</u>	<u>17,423,174</u>	<u>(1,587,800)</u>	<u>15,835,374</u>
Total Assets	<u>\$ 39,867,717</u>	<u>\$ 8,578,181</u>	<u>\$ 48,445,898</u>	<u>\$ (1,726,848)</u>	<u>\$ 46,719,050</u>
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Accounts Payable	\$ 376,188	\$ 487,905	\$ 864,093	\$ 0	\$ 864,093
Current Maturities of Debt	1,100,302	0	1,100,302	0	1,100,302
Refundable Advances	31,471	0	31,471	0	31,471
Deposits	7,500	0	7,500	0	7,500
Due to Related Organization	<u>7,645</u>	<u>139,048</u>	<u>146,693</u>	<u>(139,048)</u>	<u>7,645</u>
Total Current Liabilities	<u>1,523,106</u>	<u>626,953</u>	<u>2,150,059</u>	<u>(139,048)</u>	<u>2,011,011</u>
Long-Term Liabilities					
Capital Improvement Reserve	230,700	0	230,700	0	230,700
Compensated Absences	19,437	0	19,437	0	19,437
Long-Term Debt	<u>10,088,519</u>	<u>9,000,000</u>	<u>19,088,519</u>	<u>0</u>	<u>19,088,519</u>
Total Long-Term Liabilities	<u>10,338,656</u>	<u>9,000,000</u>	<u>19,338,656</u>	<u>0</u>	<u>19,338,656</u>
Net Assets (Deficit)					
Members' Accumulated Deficit	0	(1,048,772)	(1,048,772)	135,869	(912,903)
Unrestricted	<u>28,005,955</u>	<u>0</u>	<u>28,005,955</u>	<u>(1,723,669)</u>	<u>26,282,286</u>
Total Net Assets (Deficit)	<u>28,005,955</u>	<u>(1,048,772)</u>	<u>26,957,183</u>	<u>(1,587,800)</u>	<u>25,369,383</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 39,867,717</u>	<u>\$ 8,578,181</u>	<u>\$ 48,445,898</u>	<u>\$ (1,726,848)</u>	<u>\$ 46,719,050</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2010

	<u>GLDC</u>	<u>CGR</u>	<u>Consolidated Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
Revenue and Support					
New York State Grants	\$ 1,798,253	\$ 0	\$ 1,798,253	\$ 0	\$ 1,798,253
Building Lease Income	1,726,888	0	1,726,888	0	1,726,888
Other Lease Related Income	362,375	0	362,375	0	362,375
Gain on Sale of Property	680,370	0	680,370	0	680,370
Payments In Lieu of Taxes	1,196,163	0	1,196,163	0	1,196,163
Project Development Fees	1,731,738	0	1,731,738	(1,723,669)	8,069
Reimbursements and Refunds	1,372,606	0	1,372,606	0	1,372,606
Interest Income	114,494	17,119	131,613	0	131,613
Other Income	<u>233,288</u>	<u>600</u>	<u>233,888</u>	<u>0</u>	<u>233,888</u>
Total Revenue and Support	<u>9,216,175</u>	<u>17,719</u>	<u>9,233,894</u>	<u>(1,723,669)</u>	<u>7,510,225</u>
Expenses					
Program Services					
Redevelopment and Leasing	4,536,439	2,654,291	7,190,730	(1,723,669)	5,467,061
Marketing and Promotion	23,377	0	23,377	0	23,377
Supporting Services					
Management and General	<u>229,169</u>	<u>0</u>	<u>229,169</u>	<u>0</u>	<u>229,169</u>
Total Expenses	<u>4,788,985</u>	<u>2,654,291</u>	<u>7,443,276</u>	<u>(1,723,669)</u>	<u>5,719,607</u>
Increase (Decrease) in Net Assets	4,427,190	(2,636,572)	1,790,618	0	1,790,618
Net Assets, Beginning of Year	23,578,765	0	23,578,765	0	23,578,765
Capital Contribution	<u>0</u>	<u>1,587,800</u>	<u>1,587,800</u>	<u>(1,587,800)</u>	<u>0</u>
Net Assets (Deficit), End of Year	<u>\$ 28,005,955</u>	<u>\$ (1,048,772)</u>	<u>\$ 26,957,183</u>	<u>\$ (1,587,800)</u>	<u>\$ 25,369,383</u>