NOTE 3 CONCENTRATIONS OF CREDIT RISK (Continued)

Financial instruments which also potentially subject GUSC to concentrations of credit risk include net accounts receivable of $1,144,483 and $881,794 at December 31, 2024 and 2023, respectively. These receivables are generated from revenue from steam distribution and electricity to occupants of the Griffiss Business and Technology Park to which GUSC has extended credit. Management routinely assesses these accounts and generally requires no collateral from them.

Also, GUSC invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risk. Although this risk exists, management believes this risk is minimal.

NOTE 4 INVESTMENTS

Investments at December 31, 2024 and 2023 are comprised of the following:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Invested Cash	$ 137,079	$ 137,079	$ 217,489	$ 217,489
Certificates of Deposit	840,013	840,013	1,068,528	1,068,528
Corporate Debt	21,786,668	21,928,601	21,063,767	20,765,705
Total Investments	$ 22,763,760	22,905,693	$ 22,349,784	22,051,722
Less: Restricted Investments		7,561,703		7,967,204
Total Unrestricted Investments		$ 15,343,990		$ 14,084,518

The following summarizes net investment return for the years ended December 31, 2024 and 2023:

	2024	2023
Interest and Dividends	$ 828,908	$ 552,777
Unrealized Gain	439,995	466,427
Realized Gain (Loss)	(102,421)	4,417
Investment Fees	(43,246)	(40,146)
Investment Gain, Net	$ 1,123,236	$ 983,475

Restricted investments, as listed above, are included in other assets on the consolidated statements of financial position and represent amounts pledged as collateral for long-term financing arrangements as contractually required by a lender. The restriction will lapse when the related long-term debt is paid off.

NOTE 5 FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board authoritative guidance on fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that GUSC has the ability to access.

NOTE 5 FAIR VALUE MEASUREMENTS (Continued)

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Invested Cash: Valued at cost which approximates fair value.

Certificates of Deposit: Valued at amortized cost which approximates fair value.

Corporate Debt: Certain corporate debt securities are valued at the closing price reported in the market in which it is traded. Securities for which no sale was reported on that date are valued at the last reported bid price.

All assets have been valued using a market approach, unless otherwise noted.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although GUSC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, GUSC's assets measured at fair value on a recurring basis as of December 31, 2024 and 2023:

		2024		
		Fair Value Measurements at Reporting Date Using the Above Criteria		
Investments	Total	(Level 1)	(Level 2)	(Level 3)
Invested Cash	$ 137,079	$ 137,079	$ 0	$ 0
Certificates of Deposit	840,013	0	840,013	0
Corporate Debt	21,928,601	0	21,928,601	0
Total Investments	22,905,693	$ 137,079	$ 22,768,614	$ 0
Less: Restricted Investments	7,561,703			
Total Unrestricted Investments	$ 15,343,990			

NOTE 5 FAIR VALUE MEASUREMENTS (Continued)

		2023 Fair Value Measurements at Reporting Date Using the Above Criteria		
Investments	Total	(Level 1)	(Level 2)	(Level 3)
Invested Cash	$ 217,489	$ 217,489	$ 0	$ 0
Certificates of Deposit	1,068,528	0	1,068,528	0
Corporate Debt	20,765,705	0	20,765,705	0
Total Investments	22,051,722	$ 217,489	$ 21,834,233	$ 0
Less: Restricted Investments	7,967,204			
Total Unrestricted Investments	$ 14,084,518			

NOTE 6 LONG-TERM DEBT

At December 31, 2024 and 2023, long-term debt consisted of the following:

	2024	2023
GUSC Energy		
Refinancing loan payable to Community Bank and due November 11, 2031. The loan is secured by the original 2012 mortgage on property at 655 Ellsworth Road in Rome, NY, as well the original 2012 assignment of leases and rents on the property, all inventory and equipment, and the rights, title, and interest in one certain investment account with UBS Financial Service, Inc. The loan is also further guaranteed by GUSC. In addition, GUSC is required to maintain 100% of the existing debt balance in this same investment account (See restricted investments in Note 1). The loan term is 122 months and is currently being repaid with monthly principal and interest payments of $45,330, with interest currently fixed at 1.75%. The interest will be redetermined by the lender after the first 62 months. A final balloon payment is due at maturity.	$ 7,561,703	$ 7,967,204
Less: Current Portion of Long-Term Debt	414,992	407,798
Total Long-Term Debt	$ 7,146,711	$ 7,559,406

The following are maturities of the above debt for the next five years and thereafter:

Year	Amount
2025	$ 414,992
2026	422,313
2027	429,763
2028	437,345
2029	445,060
Thereafter	5,412,230
Total	$ 7,561,703

GUSC Energy's long-term debt agreements contain certain covenants, primarily a debt service ratio covenant. At each of the years ended December 31, 2024 and 2023, GUSC Energy was in compliance with the covenants.