

GRIFFISS UTILITY
SERVICES CORPORATION
AND SUBSIDIARY

For the Year Ended
December 31, 2024

CONSOLIDATED
FINANCIAL STATEMENTS
AND CONSOLIDATING
SCHEDULES

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-17
CONSOLIDATING SCHEDULES	
Consolidating Schedule of Financial Position - December 31, 2024	18
Consolidating Schedule of Activities - For the Year Ended December 31, 2024	19
Consolidating Schedule of Financial Position - December 31, 2023	20
Consolidating Schedule of Activities - For the Year Ended December 31, 2023	21

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

To the Board of Directors of
Griffiss Utility Services Corporation and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Griffiss Utility Services Corporation and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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 Utility Services Corporation and Subsidiary as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Griffiss Utility Services Corporation and Subsidiary 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 Utility Services Corporation and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated 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 Utility Services Corporation and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Griffiss Utility Services Corporation and Subsidiary's 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 information in the supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

D'Arcangelo & Co., LLP

March 26, 2025

Utica, New York

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 9,712,989	\$ 8,923,201
Accounts Receivable, Net	1,144,483	881,794
Prepaid Expenses	55,179	62,874
Investments	<u>15,343,990</u>	<u>14,084,518</u>
Total Current Assets	<u>26,256,641</u>	<u>23,952,387</u>
Property		
Land, Buildings, and Improvements	37,309,336	37,309,336
Distribution Lines	22,357,689	22,050,363
Vehicles and Equipment	10,683,218	10,340,818
Fuel Tanks	1,406,546	1,406,546
Office Furnishings	48,200	48,200
Construction in Progress	<u>34,777</u>	<u>98,465</u>
Total Property	71,839,766	71,253,728
Accumulated Depreciation	<u>(44,300,466)</u>	<u>(42,233,367)</u>
Net Property	<u>27,539,300</u>	<u>29,020,361</u>
Other Assets		
Restricted Investments	7,561,703	7,967,204
Deposits Held with NYISO	1,171,868	1,114,388
Cash Surrender Value	<u>800,356</u>	<u>737,752</u>
Total Other Assets	<u>9,533,927</u>	<u>9,819,344</u>
Total Assets	<u>\$ 63,329,868</u>	<u>\$ 62,792,092</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 780,597	\$ 588,397
Current Portion of Long-Term Debt	414,992	407,798
Deposits	<u>123,476</u>	<u>183,960</u>
Total Current Liabilities	<u>1,319,065</u>	<u>1,180,155</u>
Noncurrent Liabilities		
Deferred Compensation	491,680	474,098
Deferred Tax Liability	3,767,270	3,727,272
Long-Term Debt, Net	<u>7,146,711</u>	<u>7,559,406</u>
Total Noncurrent Liabilities	<u>11,405,661</u>	<u>11,760,776</u>
Net Assets		
Net Assets without Donor Restrictions		
Parent Organization		
Board Designated Reserves	862,684	862,684
Undesignated	56,478,416	56,006,361
Subsidiary		
Accumulated Deficit	<u>(6,735,958)</u>	<u>(7,017,884)</u>
Total Net Assets	<u>50,605,142</u>	<u>49,851,161</u>
Total Liabilities and Net Assets	<u>\$ 63,329,868</u>	<u>\$ 62,792,092</u>

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

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues and Investment Income		
Steam Revenue Charges	\$ 1,571,262	\$ 2,124,820
Electricity Distribution Charges	7,626,821	7,685,381
Interest Income	454,327	345,553
Investment Income, Net	1,123,236	983,475
Other Income	<u>41,779</u>	<u>48,138</u>
Total Revenues and Investment Income	<u>10,817,425</u>	<u>11,187,367</u>
Expenses		
Program Services		
Steam Heating Services	3,062,765	3,486,958
Electricity Distribution Services	5,821,284	4,615,579
Supporting Services		
Management and General	<u>1,137,897</u>	<u>1,153,783</u>
Total Expenses	<u>10,021,946</u>	<u>9,256,320</u>
Increase in Net Assets		
Before Other Changes	795,479	1,931,047
Other Changes		
(Provision for) Taxes	<u>(41,498)</u>	<u>(211,518)</u>
Increase in Net Assets	753,981	1,719,529
Net Assets, Beginning of Year	<u>49,851,161</u>	<u>48,131,632</u>
Net Assets, End of Year	<u>\$ 50,605,142</u>	<u>\$ 49,851,161</u>

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

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

**For the Year Ended December 31, 2024
(With Comparative Totals For the Year Ended December 31, 2023)**

	Program Services		Supporting Services		Total	
	Steam Heating Services	Electricity Distribution Services	Management and General		2024	2023
Salaries	\$ 619,663	\$ 450,128	\$ 598,067	\$ 1,667,858	\$ 1,607,352	
Employee Benefits	157,733	90,953	138,427	387,113	519,000	
Payroll Taxes	52,747	31,753	42,189	126,689	115,857	
Wood Chips	268,666	0	0	268,666	481,897	
Natural Gas	132,769	0	0	132,769	122,415	
Purchased Electricity	0	4,313,550	0	4,313,550	3,067,695	
Electrical Surcharges	0	126,647	0	126,647	125,379	
Professional Services	14,620	14,620	111,236	140,476	163,417	
Information Technology	2,348	3,197	7,223	12,768	14,275	
Occupancy	40,434	16,753	8,156	65,343	76,893	
Contracted Services	20,911	15,516	50,308	86,735	150,673	
Insurance	99,775	43,216	38,440	181,431	178,518	
Office Expenses	5,460	23,158	33,155	61,773	104,714	
Travel	10,163	31,018	26,196	67,377	69,550	
Repairs and Maintenance	50,051	7,533	2,869	60,453	163,327	
Environmental Expense	28,993	0	0	28,993	18,547	
Depreciation	1,371,760	645,431	49,908	2,067,099	2,059,594	
Interest Expense	138,284	0	0	138,284	144,926	
Operating Supplies	17,847	1,640	808	20,295	15,599	
Water Treatment	23,672	0	0	23,672	22,944	
Other Expenses	6,869	6,171	30,915	43,955	33,748	
Total Functional Expenses	\$ 3,062,765	\$ 5,821,284	\$ 1,137,897	\$ 10,021,946	\$ 9,256,320	

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

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services		Supporting Services	
	Steam Heating Services	Electricity Distribution Services	Management and General	Total
Salaries	\$ 644,291	\$ 433,899	\$ 529,162	\$ 1,607,352
Employee Benefits	231,682	102,067	185,251	519,000
Payroll Taxes	49,770	29,667	36,420	115,857
Wood Chips	481,897	0	0	481,897
Natural Gas	122,415	0	0	122,415
Purchased Electricity	0	3,067,695	0	3,067,695
Electrical Surcharges	0	125,379	0	125,379
Professional Services	20,246	20,246	122,925	163,417
Information Technology	365	3,118	10,792	14,275
Occupancy	51,186	12,819	12,888	76,893
Contracted Services	97,912	3,374	49,387	150,673
Insurance	96,623	42,672	39,223	178,518
Office Expenses	14,572	26,621	63,521	104,714
Travel	12,502	26,730	30,318	69,550
Repairs and Maintenance	92,574	63,436	7,317	163,327
Environmental Expense	18,547	0	0	18,547
Depreciation	1,361,993	647,427	50,174	2,059,594
Interest Expense	144,926	0	0	144,926
Operating Supplies	12,188	3,111	300	15,599
Water Treatment	22,944	0	0	22,944
Other Expenses	10,325	7,318	16,105	33,748
Total Functional Expenses	\$ 3,486,958	\$ 4,615,579	\$ 1,153,783	\$ 9,256,320

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

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 753,981	\$ 1,719,529
Adjustment for Noncash Transactions		
Depreciation	2,067,099	2,059,594
Net Unrealized and Realized (Gains) on Investments	(337,573)	(470,844)
Deferred Taxes	39,998	210,018
Deferred Compensation	17,582	60,773
(Increase) Decrease in Assets		
Accounts Receivable	(262,689)	480,098
Grants Receivable	0	172,339
Prepaid Expenses	7,695	26,974
Deposits Held with NYISO	(57,480)	(53,160)
Cash Surrender Value	(62,604)	(60,576)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	192,200	(228,725)
Deposits	(60,484)	48
Net Cash Provided by Operating Activities	<u>2,297,725</u>	<u>3,916,068</u>
Cash Flows from Investing Activities		
Reinvested Interest	(785,662)	(512,631)
Proceeds from Sales of Investments	269,264	0
Capital Expenditures	(586,038)	(489,167)
Net Cash (Used) by Investing Activities	<u>(1,102,436)</u>	<u>(1,001,798)</u>
Cash Flows from Financing Activities		
Payment of Long-Term Debt	(405,501)	(444,561)
Net Cash (Used) by Financing Activities	<u>(405,501)</u>	<u>(444,561)</u>
Net Increase in Cash and Cash Equivalents	789,788	2,469,709
Cash and Cash Equivalents, Beginning of Year	<u>8,923,201</u>	<u>6,453,492</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,712,989</u>	<u>\$ 8,923,201</u>

Supplemental Cash Flow Disclosures

Cash Paid During the Year for:

Interest	<u>\$ 138,462</u>	<u>\$ 145,368</u>
Income Taxes	<u>\$ 1,500</u>	<u>\$ 1,500</u>

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

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Griffiss Utility Services Corporation (GUSC) is a nonprofit organization whose primary purpose is to support Griffiss Local Development Corporation's (GLDC) mission efforts of stimulating economic growth at the Griffiss Business and Technology Park located in Rome, New York. To accomplish this objective, GUSC operates and maintains the utility systems. The activities of GUSC are funded primarily through revenue from the distribution of steam heat and electricity.

GUSC Energy Inc (GUSC Energy) was formed during 2011, with GUSC as the sole shareholder, for the primary purpose of constructing and operating an open-loop biomass fueled combined heat and power facility in the Griffiss Business and Technology Park. The common stock has no par value and there are 200 shares authorized of which 1 share is issued and outstanding to GUSC.

Principles of Consolidation

The consolidated financial statements include the accounts of GUSC and its wholly-owned subsidiary, GUSC Energy. All intercompany transactions have been eliminated.

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 Organization as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by reporting information regarding financial position and activities according to two classes of net assets: net assets with donor restrictions or net assets without donor restrictions. However, the Organization only maintained net assets without donor restrictions at December 31, 2024 and 2023.

Use of Estimates

The preparation of 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.

Concentration of Revenue

GUSC's primary source of revenue is from the supply of steam heat and distribution of electricity to businesses in the Griffiss Business and Technology Park. GUSC received approximately 33.3% and 35.2% of these revenue sources from two customers for the years ended December 31, 2024 and 2023, respectively. GUSC is also sensitive to the market conditions of electric and fuel prices. The effect, if any, on the consolidated financial statements is not considered material as any price increases or decreases are passed on to the customers.

Cash and Cash Equivalents

For purposes of the consolidated statements of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as money market funds, with an original maturity of three months or less when purchased.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

On January 1, 2023, GUSC 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 steam and electric energy charges. These receivables are now presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. GUSC separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the balance sheet date, GUSC 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 ended December 31, 2024 and 2023, GUSC increased its historical loss rates for each aging category by 10% due to forecasted revenue budget increases, rising inflation and other economic indicators that may affect customers. As a result of the analysis, management determined no changes were necessary to the existing balance in the allowance for credit losses for either year.

The following table summarizes the activity related to the allowance for credit losses for each of the years ended December 31:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 30,000	\$ 30,000
Provisions	0	0
Write-offs, net of recoveries	0	0
Ending Balance	<u>\$ 30,000</u>	<u>\$ 30,000</u>

Property

All expenditures for property and equipment exceeding \$2,500 are capitalized and depreciated over the useful life of the property and recorded at historical cost if purchased or fair market value if donated. Depreciation is provided using the straight-line method as follows:

	<u>Estimated Useful Lives</u>
Buildings and Improvements	40 Years
Fuel Tanks	15 Years
Distribution Lines	20 Years
Vehicles and Equipment	2-10 Years
Office Furnishings	5-10 Years

Investment Valuation and Income Recognition

Investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment income (loss) in the consolidated statements of activities includes gains and losses on investments bought and sold as well as held during the year.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits Held with NYISO

The New York Independent System Operator (NYISO) is the organization responsible for managing New York's electric grid and its competitive wholesale electric marketplace. Per NYISO policy, GUSC maintains a deposit with the NYISO to allow the organization to purchase power instantaneously in the wholesale marketplace. The amount of the deposit requirement can vary and is based on peak potential financial exposure to NYISO.

Cash Surrender Value on Life Insurance

GUSC is the owner of a life insurance policy on one key employee with basic coverage totaling \$600,000 and has a cash surrender value of \$800,356 and \$737,752 at December 31, 2024 and 2023, respectively. The cash surrender value of this policy has been included in other assets in these consolidated financial statements.

Revenue Recognition

Sale of steam and electric energy to customers occurs continuously throughout the year and GUSC recognizes revenue on a monthly basis based on delivery reported for the prior month. Revenues recognized are net of any sales tax, surcharges, discounts and credits that apply.

The timing of revenue recognition, billings, and cash collections noted above results in billed accounts receivable. GUSC does not have unbilled receivables (contract assets) or deferred revenue (contract liabilities). Amounts are billed upon completion of the service, generally at the time of revenue recognition.

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

	2024	2023	2022
Accounts Receivable, Net	\$ 1,144,483	\$ 881,794	\$ 1,361,892

GUSC Energy recognizes service revenues based on a long-term contract with GUSC. GUSC Energy delivers steam and electric to GUSC for resale to customers, as well as maintaining and operating the steam plant facility and the biomass fueled combined heat and power facility. Revenues are recognized monthly based primarily on a fixed contract price which is calculated annually. Revenues may also include variable costs and reimbursements which are also calculated monthly, as applicable, based on performance obligations for the prior month. Intercompany transactions are eliminated in the Statement of Activities.

Agreement terms with customers generally do not include any obligations to perform future services. See Note 3 for concentrations of credit risk.

Expense Allocation

The costs of operations of the steam plant and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. 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 payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort, and insurance and legal expenses, which have been allocated equally amongst the three categories.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other expenses are directly classified among the following program and supporting services:

Steam Heating Services – Includes all direct and indirect expenses necessary to generate and distribute steam and maintain the existing steam plant facilities.

Electricity Distribution Services – Includes all direct and indirect expenses necessary to distribute electricity and maintain the existing facilities.

Management and General – Includes all administrative expenses necessary to operate GUSC which are not specifically identifiable to direct program services.

Income Taxes

GUSC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and utilizes December 31 as its year end. GUSC has also been determined to be other than a private foundation, as it is an organization described in Section 509(a)(3) of the Internal Revenue Code.

GUSC's wholly owned subsidiary, GUSC Energy, is a taxable entity and is, therefore, subject to federal and state income taxes. GUSC Energy has an effective income tax rate that is different from the expected statutory rate due to the use of accelerated depreciation methods and nondeductible expenses for income tax purposes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

NOTE 2 LIQUIDITY AND AVAILABILITY OF FUNDS

At December 31, 2024, GUSC and its subsidiaries have \$25,338,778 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 \$9,712,989, net receivables of \$1,144,483, and investments of \$15,343,990, less \$862,684 set aside for board designated reserves (see Note 12). At December 31, 2023, GUSC and its subsidiaries had \$23,026,829 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 \$8,923,201, net receivables of \$881,794, and investments of \$14,084,518, less \$862,684 set aside for board designated reserves (see Note 12). None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The receivables are subject to time restrictions but are expected to be collected within one year.

GUSC and its subsidiaries have 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, GUSC invests cash in excess of daily requirements in various short-term investments including certificates of deposit accounts, money market accounts, and U.S. Treasury notes.

NOTE 3 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject GUSC to concentrations of credit risk consist principally of cash in financial institutions. From time to time throughout the year, cash balances can exceed Federal Deposit Insurance Corporation (FDIC) coverage. Management believes that it is not exposed to any significant risk with respect to these accounts.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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	<u>21,786,668</u>	<u>21,928,601</u>	<u>21,063,767</u>	<u>20,765,705</u>
Total Investments	\$ <u>22,763,760</u>	22,905,693	\$ <u>22,349,784</u>	22,051,722
Less: Restricted Investments		<u>7,561,703</u>		<u>7,967,204</u>
Total Unrestricted Investments		\$ <u>15,343,990</u>		\$ <u>14,084,518</u>

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	<u>(43,246)</u>	<u>(40,146)</u>
Investment Gain, Net	\$ <u>1,123,236</u>	\$ <u>983,475</u>

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.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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		
	Total	(Level 1)	(Level 2)	(Level 3)
Investments				
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			

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 FAIR VALUE MEASUREMENTS (Continued)

Investments	Total	2023		
		Fair Value Measurements at Reporting Date Using the Above Criteria		
		(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
<u>GUSC Energy</u>		
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.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

Interest expense on the above debt for the years ended December 31, 2024 and 2023 was \$138,284 and \$144,926, respectively.

Intercompany

GUSC has issued several notes receivable from GUSC Energy to assist with costs to construct the open-loop biomass power facility. The principal balance on the notes is \$6,000,000 for each of the years ended December 31, 2024 and 2023. The notes are unsecured and are required to be paid in interest-only monthly installments through December 31, 2025. The current interest rate is fixed at 3.00%. The intercompany loan is eliminated in the consolidation of the financial statements.

NOTE 7 SUBSIDIARY ACCUMULATED DEFICIT

The changes in the accumulated deficit of GUSC Energy are as follows:

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ (7,017,884)	\$ (6,657,404)
Net Income (Loss) of GUSC Energy Inc.	<u>281,926</u>	<u>(360,480)</u>
Balance, End of Year	\$ <u>(6,735,958)</u>	\$ <u>(7,017,884)</u>

NOTE 8 INCOME TAXES

Federal and state provision for taxes for GUSC Energy for the years ended December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Current Tax Expense		
Federal Income Tax	\$ 38,505	\$ 0
New York State Income Tax	12,016	0
New York State Minimum Tax	1,500	1,500
Benefit from Prior NOL		
Federal Income Tax NOL Deduction	(38,505)	0
New York State Tax NOL Deduction	<u>(12,016)</u>	<u>0</u>
Total Current Tax Expense	<u>1,500</u>	<u>0</u>
Deferred Tax Expense		
Federal	30,991	162,725
New York State	<u>9,007</u>	<u>47,293</u>
Total Deferred Tax Expense	<u>39,998</u>	<u>210,018</u>
Total Provision for Taxes	\$ <u>41,498</u>	\$ <u>211,518</u>

The net deferred tax liability as of December 31, 2024 and 2023 is comprised of the following:

	<u>2024</u>	<u>2023</u>
Deferred Tax Asset		
Net Operating Loss Carryforward	\$ 4,712,843	\$ 4,765,895
Valuation Allowance	<u>(4,712,843)</u>	<u>(4,765,895)</u>
Deferred Tax Asset	<u>0</u>	<u>0</u>
Deferred Tax (Liability)		
Depreciation – Excess of Tax over Book	<u>(3,767,270)</u>	<u>(3,727,272)</u>
Net Deferred Tax (Liability)	\$ <u>(3,767,270)</u>	\$ <u>(3,727,272)</u>

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 INCOME TAXES (Continued)

The valuation allowance has experienced a decrease of \$53,052 for the year ended December 31, 2024, and an increase of \$253,331 for the years ended December 31, 2023. Management has determined that the operating loss carryforward amounts will not be utilized prior to expiration.

As of December 31, 2024, GUSC Energy had net operating loss carryovers that may offset future taxable income. Due to a New York State corporate tax law change in 2015 modifying the deduction and carryover rules, a net operating loss conversion subtraction (NOLCS) replaced net operating loss deductions for losses which originated prior to January 1, 2015, subject to limitations. These prior losses are pooled and may be carried forward for 20 years, expiring in 2035.

If not utilized, all carryovers will expire as follows:

	Federal Net Operating Loss	New York State Net Operating Loss
2032	\$ 101,611	\$ 0
2033	772,544	0
2034	1,010,117	0
2035 (NOLCS Pool)	0	1,878,300
2035	3,420,260	3,418,760
2036	2,307,401	2,305,901
2037	1,942,120	1,942,120
2038	2,080,121	2,078,621
2039	1,355,000	1,346,019
2040	769,280	767,597
2041	583,328	581,828
2042	1,114,350	1,112,850
2043	<u>878,051</u>	<u>876,523</u>
	<u>\$ 16,334,183</u>	<u>\$ 16,308,519</u>

NOTE 9 PENSION PLAN

GUSC and GUSC Energy contribute to a 401(k) profit-sharing plan for all employees. Employees were eligible for membership in the plan after six months of service and attaining age 21. During 2018, the plan was amended to allow employees to be eligible at age 18. Contributions paid to the plan are based upon 5% of participants' annual compensation and a 100% match of elective deferrals up to 5% of the participant's annual compensation. The combined amount of contributions paid to the plan on behalf of the employees for the years ended December 31, 2024 and 2023 were \$133,617 and \$138,026, respectively.

NOTE 10 DEFERRED COMPENSATION ARRANGEMENT

GUSC entered into an unfunded, nonqualified deferred compensation plan with a key employee. The agreement provides for postretirement benefits, contingent on certain conditions, payable upon the employee's retirement on his normal retirement date. GUSC is accruing the present value of the estimated future benefit payments over the period from the date of the agreement to the retirement date. The plan was amended during 2025, as authorized by the Board of Directors, to provide for an increased retirement benefit. GUSC recognized an expense of \$17,582 and \$60,773 for the years ended December 31, 2024 and 2023, respectively, related to this agreement.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 COMMITMENTS

Under a written agreement signed in 2005 in exchange for the title to the electrical distribution system, GUSC is required to remit to GLDC a percentage of future revenues generated from the electrical distribution system based upon usage. These payments are required to be made quarterly until December 31, 2046. During the years ended December 31, 2024 and 2023, GUSC remitted \$126,647 and \$125,379, respectively, to GLDC for its share of revenue from the electrical distribution system.

NOTE 12 BOARD DESIGNATED RESERVES

The board has designated certain reservations of net assets without donor restrictions for future use. The following is a summary of the activity in each reserve during the year ended December 31, 2024:

	Beginning Balance	Ending Balance
Reserve for Capital Projects	\$ 250,000	\$ 250,000
Reserve for Storm Restoration	450,000	450,000
Reserve for Energy Savings Program	162,684	162,684
Total Board Designated Reserves	<u>\$ 862,684</u>	<u>\$ 862,684</u>

NOTE 13 RELATED PARTY TRANSACTIONS

GUSC is a 509(a)(3) supporting organization of GLDC, which by definition is considered a related party. In addition to the surcharge agreement under Note 11, GUSC reimburses GLDC for various costs incurred for operational work, which totaled \$3,400 and \$1,744, respectively, for the years ended December 31, 2024 and 2023.

Also, see Note 11 for additional related party commitments.

GLDC and its subsidiaries, Cardinal Griffiss Realty, LLC and 99 Otis St. LLC, pay GUSC for steam and electric costs incurred by tenants of their leased properties. Utility revenues for these customers for the years ended December 31, 2024 and 2023 were \$124,981 and \$316,639, respectively.

NOTE 14 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 26, 2025, the date on which the consolidated financial statements were available to be issued.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2024

	<u>GUSC</u>	<u>GUSC Energy Inc.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 9,661,067	\$ 51,922	\$ 9,712,989	\$ 0	\$ 9,712,989
Accounts Receivable, Net	1,144,483	0	1,144,483	0	1,144,483
Due From Subsidiary	846,482	0	846,482	(846,482)	0
Prepaid Expenses	885,156	0	885,156	(829,977)	55,179
Investments	<u>15,343,990</u>	<u>0</u>	<u>15,343,990</u>	<u>0</u>	<u>15,343,990</u>
Total Current Assets	<u>27,881,178</u>	<u>51,922</u>	<u>27,933,100</u>	<u>(1,676,459)</u>	<u>26,256,641</u>
Property					
Land, Buildings, and Improvements	19,091,408	18,217,928	37,309,336	0	37,309,336
Distribution Lines	22,357,689	0	22,357,689	0	22,357,689
Vehicles and Equipment	10,660,181	23,037	10,683,218	0	10,683,218
Fuel Tanks	1,406,546	0	1,406,546	0	1,406,546
Office Furnishings	48,200	0	48,200	0	48,200
Construction in Progress	<u>34,777</u>	<u>0</u>	<u>34,777</u>	<u>0</u>	<u>34,777</u>
Total Property	53,598,801	18,240,965	71,839,766	0	71,839,766
Accumulated Depreciation	<u>(39,288,819)</u>	<u>(5,011,647)</u>	<u>(44,300,466)</u>	<u>0</u>	<u>(44,300,466)</u>
Net Property	<u>14,309,982</u>	<u>13,229,318</u>	<u>27,539,300</u>	<u>0</u>	<u>27,539,300</u>
Other Assets					
Restricted Investments	7,561,703	0	7,561,703	0	7,561,703
Note Receivable - Subsidiary	6,000,000	0	6,000,000	(6,000,000)	0
Deposits Held with NYISO	1,171,868	0	1,171,868	0	1,171,868
Investment in Subsidiary	996,483	0	996,483	(996,483)	0
Cash Surrender Value	<u>800,356</u>	<u>0</u>	<u>800,356</u>	<u>0</u>	<u>800,356</u>
Total Other Assets	<u>16,530,410</u>	<u>0</u>	<u>16,530,410</u>	<u>(6,996,483)</u>	<u>9,533,927</u>
Total Assets	<u>\$ 58,721,570</u>	<u>\$ 13,281,240</u>	<u>\$ 72,002,810</u>	<u>\$ (8,672,942)</u>	<u>\$ 63,329,868</u>
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable and Accrued Expenses	\$ 765,314	\$ 15,283	\$ 780,597	\$ 0	\$ 780,597
Due to Parent	0	846,482	846,482	(846,482)	0
Current Portion of Long-Term Debt	0	414,992	414,992	0	414,992
Deferred Revenue	0	829,977	829,977	(829,977)	0
Deposits	<u>123,476</u>	<u>0</u>	<u>123,476</u>	<u>0</u>	<u>123,476</u>
Total Current Liabilities	<u>888,790</u>	<u>2,106,734</u>	<u>2,995,524</u>	<u>(1,676,459)</u>	<u>1,319,065</u>
Noncurrent Liabilities					
Deferred Compensation	491,680	0	491,680	0	491,680
Deferred Tax Liability	0	3,767,270	3,767,270	0	3,767,270
Long-Term Debt	<u>0</u>	<u>13,146,711</u>	<u>13,146,711</u>	<u>(6,000,000)</u>	<u>7,146,711</u>
Total Noncurrent Liabilities	<u>491,680</u>	<u>16,913,981</u>	<u>17,405,661</u>	<u>(6,000,000)</u>	<u>11,405,661</u>
Net Assets					
Net Assets without Donor Restrictions					
Board Designated Reserves	862,684	0	862,684	0	862,684
Undesignated	56,478,416	0	56,478,416	0	56,478,416
Paid-in-Capital	0	996,483	996,483	(996,483)	0
Accumulated Deficit	<u>0</u>	<u>(6,735,958)</u>	<u>(6,735,958)</u>	<u>0</u>	<u>(6,735,958)</u>
Total Net Assets	<u>57,341,100</u>	<u>(5,739,475)</u>	<u>51,601,625</u>	<u>(996,483)</u>	<u>50,605,142</u>
Total Liabilities and Net Assets	<u>\$ 58,721,570</u>	<u>\$ 13,281,240</u>	<u>\$ 72,002,810</u>	<u>\$ (8,672,942)</u>	<u>\$ 63,329,868</u>

See Independent Auditor's Report.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2024

	<u>GUSC</u>	<u>GUSC Energy Inc.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Revenues and Investment Income					
Steam Revenue Charges	\$ 1,571,262	\$ 0	\$ 1,571,262	\$ 0	\$ 1,571,262
Electricity Distribution Charges	7,789,101	0	7,789,101	(162,280)	7,626,821
Service Fees	0	2,506,607	2,506,607	(2,506,607)	0
Interest Income	634,327	0	634,327	(180,000)	454,327
Investment Income, Net	1,123,236	0	1,123,236	0	1,123,236
Administration Fees	120,000	0	120,000	(120,000)	0
Other Income	<u>41,779</u>	<u>0</u>	<u>41,779</u>	<u>0</u>	<u>41,779</u>
Total Revenues and Investment Income	<u>11,279,705</u>	<u>2,506,607</u>	<u>13,786,312</u>	<u>(2,968,887)</u>	<u>10,817,425</u>
Expenses					
Program Services					
Steam Heating Services	3,865,887	2,041,572	5,907,459	(2,844,694)	3,062,765
Electricity Distribution Services	5,825,477	0	5,825,477	(4,193)	5,821,284
Supporting Services					
Management and General	<u>1,116,286</u>	<u>141,611</u>	<u>1,257,897</u>	<u>(120,000)</u>	<u>1,137,897</u>
Total Expenses	<u>10,807,650</u>	<u>2,183,183</u>	<u>12,990,833</u>	<u>(2,968,887)</u>	<u>10,021,946</u>
Increase in Net Assets					
Before (Provision for) Taxes	472,055	323,424	795,479	0	795,479
(Provision for) Taxes	<u>0</u>	<u>(41,498)</u>	<u>(41,498)</u>	<u>0</u>	<u>(41,498)</u>
Increase in Net Assets	472,055	281,926	753,981	0	<u>753,981</u>
Net Assets (Deficit), Beginning of Year	<u>56,869,045</u>	<u>(6,021,401)</u>	<u>50,847,644</u>	<u>(996,483)</u>	<u>49,851,161</u>
Net Assets (Deficit), End of Year	<u>\$ 57,341,100</u>	<u>\$ (5,739,475)</u>	<u>\$ 51,601,625</u>	<u>\$ (996,483)</u>	<u>\$ 50,605,142</u>

See Independent Auditor's Report.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2023

	<u>GUSC</u>	<u>GUSC Energy Inc.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 8,690,712	\$ 232,489	\$ 8,923,201	\$ 0	\$ 8,923,201
Accounts Receivable, Net	881,794	0	881,794	0	881,794
Due From Subsidiary	654,210	0	654,210	(654,210)	0
Prepaid Expenses	1,594,937	0	1,594,937	(1,532,063)	62,874
Investments	<u>14,084,518</u>	<u>0</u>	<u>14,084,518</u>	<u>0</u>	<u>14,084,518</u>
Total Current Assets	<u>25,906,171</u>	<u>232,489</u>	<u>26,138,660</u>	<u>(2,186,273)</u>	<u>23,952,387</u>
Property					
Land, Buildings, and Improvements	19,091,408	18,217,928	37,309,336	0	37,309,336
Distribution Lines	22,050,363	0	22,050,363	0	22,050,363
Vehicles and Equipment	10,332,943	7,875	10,340,818	0	10,340,818
Fuel Tanks	1,406,546	0	1,406,546	0	1,406,546
Office Furnishings	48,200	0	48,200	0	48,200
Construction in Progress	<u>98,465</u>	<u>0</u>	<u>98,465</u>	<u>0</u>	<u>98,465</u>
Total Property	53,027,925	18,225,803	71,253,728	0	71,253,728
Accumulated Depreciation	<u>(37,679,039)</u>	<u>(4,554,328)</u>	<u>(42,233,367)</u>	<u>0</u>	<u>(42,233,367)</u>
Net Property	<u>15,348,886</u>	<u>13,671,475</u>	<u>29,020,361</u>	<u>0</u>	<u>29,020,361</u>
Other Assets					
Restricted Investments	7,967,204	0	7,967,204	0	7,967,204
Note Receivable - Subsidiary	6,000,000	0	6,000,000	(6,000,000)	0
Deposits Held by NYISO	1,114,388	0	1,114,388	0	1,114,388
Investment in Subsidiary	996,483	0	996,483	(996,483)	0
Cash Surrender Value	<u>737,752</u>	<u>0</u>	<u>737,752</u>	<u>0</u>	<u>737,752</u>
Total Other Assets	<u>16,815,827</u>	<u>0</u>	<u>16,815,827</u>	<u>(6,996,483)</u>	<u>9,819,344</u>
Total Assets	<u>\$ 58,070,884</u>	<u>\$ 13,903,964</u>	<u>\$ 71,974,848</u>	<u>\$ (9,182,756)</u>	<u>\$ 62,792,092</u>
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable and Accrued Expenses	\$ 543,781	\$ 44,616	\$ 588,397	\$ 0	\$ 588,397
Due to Parent	0	654,210	654,210	(654,210)	0
Current Portion of Long-Term Debt	0	407,798	407,798	0	407,798
Deferred Revenue	0	1,532,063	1,532,063	(1,532,063)	0
Deposits	<u>183,960</u>	<u>0</u>	<u>183,960</u>	<u>0</u>	<u>183,960</u>
Total Current Liabilities	<u>727,741</u>	<u>2,638,687</u>	<u>3,366,428</u>	<u>(2,186,273)</u>	<u>1,180,155</u>
Noncurrent Liabilities					
Deferred Compensation	474,098	0	474,098	0	474,098
Deferred Tax Liability	0	3,727,272	3,727,272	0	3,727,272
Long-Term Debt	<u>0</u>	<u>13,559,406</u>	<u>13,559,406</u>	<u>(6,000,000)</u>	<u>7,559,406</u>
Total Noncurrent Liabilities	<u>474,098</u>	<u>17,286,678</u>	<u>17,760,776</u>	<u>(6,000,000)</u>	<u>11,760,776</u>
Net Assets					
Net Assets without Donor Restrictions					
Board Designated Reserves	862,684	0	862,684	0	862,684
Undesignated	56,006,361	0	56,006,361	0	56,006,361
Paid-in-Capital	0	996,483	996,483	(996,483)	0
Accumulated Deficit	<u>0</u>	<u>(7,017,884)</u>	<u>(7,017,884)</u>	<u>0</u>	<u>(7,017,884)</u>
Total Net Assets	<u>56,869,045</u>	<u>(6,021,401)</u>	<u>50,847,644</u>	<u>(996,483)</u>	<u>49,851,161</u>
Total Liabilities and Net Assets	<u>\$ 58,070,884</u>	<u>\$ 13,903,964</u>	<u>\$ 71,974,848</u>	<u>\$ (9,182,756)</u>	<u>\$ 62,792,092</u>

See Independent Auditor's Report.

GRIFFISS UTILITY SERVICES CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2023

	<u>GUSC</u>	<u>GUSC Energy Inc.</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Revenues and Investment Loss					
Steam Revenue Charges	\$ 2,124,820	\$ 0	\$ 2,124,820	\$ 0	\$ 2,124,820
Electricity Distribution Charges	7,829,231	0	7,829,231	(143,850)	7,685,381
Service Fees	0	2,471,507	2,471,507	(2,471,507)	0
Interest Income	525,553	0	525,553	(180,000)	345,553
Investment Income, Net	983,475	0	983,475	0	983,475
Administration Fees	120,000	0	120,000	(120,000)	0
Other Income	44,338	3,800	48,138	0	48,138
Total Revenues and Investment Loss	<u>11,627,417</u>	<u>2,475,307</u>	<u>14,102,724</u>	<u>(2,915,357)</u>	<u>11,187,367</u>
Expenses					
Program Services					
Steam Heating Services	3,766,407	2,485,095	6,251,502	(2,764,544)	3,486,958
Electricity Distribution Services	4,646,392	0	4,646,392	(30,813)	4,615,579
Supporting Services					
Management and General	<u>1,134,609</u>	<u>139,174</u>	<u>1,273,783</u>	<u>(120,000)</u>	<u>1,153,783</u>
Total Expenses	<u>9,547,408</u>	<u>2,624,269</u>	<u>12,171,677</u>	<u>(2,915,357)</u>	<u>9,256,320</u>
Increase (Decrease) in Net Assets					
Before Other Changes	2,080,009	(148,962)	1,931,047	0	1,931,047
Other Changes					
(Provision for) Taxes	<u>0</u>	<u>(211,518)</u>	<u>(211,518)</u>	<u>0</u>	<u>(211,518)</u>
Increase (Decrease) in Net Assets	2,080,009	(360,480)	1,719,529	0	1,719,529
Net Assets (Deficit), Beginning of Year	<u>54,789,036</u>	<u>(5,660,921)</u>	<u>49,128,115</u>	<u>(996,483)</u>	<u>48,131,632</u>
Net Assets (Deficit), End of Year	<u>\$ 56,869,045</u>	<u>\$ (6,021,401)</u>	<u>\$ 50,847,644</u>	<u>\$ (996,483)</u>	<u>\$ 49,851,161</u>

See Independent Auditor's Report.