UPPER MOHAWK
VALLEY MEMORIAL
AUDITORIUM
AUTHORITY

MANAGEMENT'S
DISCUSSION AND
ANALYSIS
AND
BASIC FINANCIAL
STATEMENTS

For the Year Ended

December 31, 2025

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY

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Independent Auditor's Report

Board Members
Upper Mohawk Valley Memorial Auditorium Authority

Opinion

We have audited the accompanying financial statements of the business type activities of the Upper Mohawk Valley Memorial Auditorium Authority (the Authority), a public benefit corporation of the State of New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2025, and 2024 ,and the respective changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and *Government 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Authority'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financials reporting and compliance.

D'Arcangelo + Co., LLP

April 15, 2026

Rome, New York

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board Members
Upper Mohawk Valley Memorial Auditorium Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Upper Mohawk Valley Memorial Auditorium Authority (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as item 2019-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Upper Mohawk Valley Memorial Auditorium Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and recommendations. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

April 15, 2026

Rome, New York

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Independent Auditor's Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

Board Members
Upper Mohawk Valley Memorial Auditorium Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Upper Mohawk Valley Memorial Auditorium Authority (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our opinion thereon dated April 15, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's Investment Policy, The New York State Comptroller's Investment Guidelines, and Section 2925(3)(F) of the NYS Public Authorities Law during the year ended December 31, 2025. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such investment guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above rules and regulations.

This report is intended solely for the information and use of management, the Board, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these parties.

D'Arcangelo + Co., LLP

April 15, 2026

Rome, New York

I. Significant Deficiency

See Status of Prior Year Findings and Recommendations.

I. Significant Deficiency

2019-1 Fixed Assets

Condition: There is no formal process for tagging and tracking fixed assets, or for the disposition of assets.

Criteria: Generally accepted accounting principles require fixed assets to be capitalized and depreciated over the assets' useful lives. Generally, fixed assets include land, buildings, improvements, equipment, vehicles, and infrastructure.

Recommendation: We recommend that the Authority implement procedures for maintaining a complete fixed asset database and for calculating depreciation. These procedures should include performing an inventory of fixed assets to ensure the database is complete. These procedures should also include a process for tagging, tracking, and disposing of fixed assets.

Status: As of December 31, 2025, there is no formal process for tagging and tracking fixed assets, or for the disposition of assets.

Response: The Authority agrees with the recommendation and management is working on implementing the recommended procedures.

The following is a discussion and analysis of the Upper Mohawk Valley Memorial Auditorium Authority (the Authority)'s financial performance for the year ended December 31, 2025. This section is a summary of the Authority's financial activities based on currently known facts, decisions and conditions. This section is only an introduction and should be read in conjunction with the Authority's financial statements, which immediately follow this section.

1. INTRODUCTION

The Upper Mohawk Valley Memorial Auditorium Authority (the Authority), a public benefit corporation, was established to own and operate the former Utica Memorial Auditorium. The Authority was organized under Public Authorities Law of the State of New York in 1996. The Authority's mission is to provide an environment for entertainment, sports, community events, and recreation in order to create a positive economic impact and improved quality of life for the citizens of the Mohawk Valley.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that transactions be recorded when they occur, not when its related cash receipt or disbursement occurs.

The Statements of Net Position depict the Authority's financial position at December 31, the end of the Authority's fiscal year. The statements present all the financial assets and liabilities of the Authority. Net Position represents the Authority's assets after liabilities are deducted.

The Statements of Revenues, Expenses and Changes in Net Position report operating revenues and expenses, non-operating revenues and expenses and the change in net position for the years ended December 31, 2025 and 2024. The change in Net Position combined with the previous year's net position total, reconciles to the net position total for the reporting period.

The Statements of Cash Flows report cash activities for the year resulting from operating activities, investing activities, and capital and related financing activities. The net result of these activities, added to the beginning of the year cash balance, reconciles to the total balance at the end of the year.

3. SUMMARY OF FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal years 2025 and 2024 are as follows:

- The Authority's net position decreased by $2,100,362 from $48,717,480 at December 31, 2024, to $46,617,118 at December 31, 2025.
- The Authority did not receive lease income from Garden Management for the use of the Nexus Center during 2025. This resulted in a decrease in revenue of $500,000 from 2024, discussed further in Note 1.
- The Authority and Oneida County amended their Project Funding Agreement in 2025. Due to the amendment, the Authority did not pay Oneida County the contractual payments of $700,000 for 2025, see Note 6 for additional details.
- The Authority received a $2,000,000 grant from Meet New York in 2024 for hosting the International Ice Hockey Federation Women's Tournament.

4. FINANCIAL ANALYSIS

A summary of the Authority's Statements of Net Position for December 31, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)	Percentage Change
Current Assets	$ 61,441	$ 204,681	$ (143,240)	(70.0%)
Capital Assets, Net	77,462,137	80,257,376	(2,795,239)	(3.5%)
Total Assets	$77,523,578	$80,462,057	$ (2,938,479)	(3.7%)
Current and Other Liabilities	900,015	$ 1,740,173	$ (840,158)	(48.3%)
Non-Current Liabilities	30,006,445	30,004,404	2,041	0.0%
Total Liabilities	$30,906,460	$31,744,577	$ (838,117)	(2.6%)
Total Net Position	$46,617,118	$48,717,480	$ (2,100,362)	(4.3%)

Current assets decreased by $143,240 compared to the prior year primarily because the Authority had $153,370 less cash on hand at December 31, 2025 than the prior year end.

Capital assets, net of the related accumulated depreciation, decreased by $2,795,239 from December 31, 2024 to December 31, 2025 primarily due to current year depreciation costs of $3,030,494 exceeding the current year additions of $235,255.

Current liabilities at December 31, 2025 decreased by $840,158 from the prior year due to a decrease of $304,029 in accounts payable as well as a decrease of $552,000 in notes payable due to Bank of Utica, offset by an increase of $15,871 in the current portion of debt payable.

Non-current liabilities increased $2,041 due to the Authority refinancing a mortgage for the 470 Whitesboro Street property offset by scheduled debt payments that were made during 2025.

The results of this year's operations as a whole are reported in the Statements of Revenues, Expenses, and Changes in Net Position in the accompanying financial statements. A summary of this statement for the year ended December 31, 2025 and 2024 is as follows:

Revenues	2025	2024	Increase (Decrease)	Percentage Change
Municipal Subsidies and Grants	$ 805,255	$ 805,255	$	0.0%
Grant Income		2,000,000	(2,000,000)	(100.0%)
Advertising Income	157,500	82,500	75,000	90.9%
Capitalization Fund Income	179,341	238,613	(59,272)	(24.8%)
Lease Income		500,000	(500,000)	(100.0%)
Interest Income	320	3,157	(2,837)	(89.9%)
County Project Funding	1,713,197	1,727,905	(14,708)	(0.9%)
Other Income	7,775		7,775	100.0%
Total Revenues	2,863,388	5,357,430	(2,494,042)	(46.6%)
Expenses				
Operations	883,979	820,090	63,889	7.8%
USA Hockey Expense		2,000,000	(2,000,000)	(100.0%)
Miscellaneous		15,000	(15,000)	(100.0%)
Interest	1,049,277	1,018,509	30,768	3.0%
Contractual payments to County		700,000	(700,000)	(100.0%)
Loss on Asset Disposal		8,225	(8,225)	(100.0%)
Depreciation	3,030,494	2,932,434	98,060	3.3%
Total Expenses	4,963,750	7,494,258	(2,530,508)	(33.8%)
Change in Net Position	$ (2,100,362)	$ (2,136,828)	$ 36,466	1.7%

The Authority's revenues decreased by $2,494,042 or 46.6% between the year ended December 31, 2024 and December 31, 2025. This decrease was primarily the result of a $2,000,000 grant received from Meet New York in 2024. The Authority also did not receive lease income for the use of the Nexus Center in 2025, resulting in a decrease of $500,000.

The Authority's expenses decreased by $2,530,508 or 33.8% compared to the prior year. This decrease was primarily the result of $2,000,000 paid to USA Hockey to attract and to host the International Ice Hockey Federation Women's Tournament in 2024. The Authority also did not make contractual payments to Oneida County in the amount of $700,000 during 2025, as a result of an amendment to the Project Funding Agreement.

A summary of the Authority's capital assets as of December 31, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Land	$ 2,084,670	$ 2,084,670	$
Building & Improvements	89,764,547	89,624,166	140,381
Equipment	3,258,249	3,163,375	94,874
Total	95,107,466	94,872,211	235,255
Accumulated Depreciation	17,645,329	14,614,835	3,030,494
Net Capital Assets	$ 77,462,137	$ 80,257,376	$ (2,795,239)

The Authority owns property and equipment located in the City of Utica, NY. The overall decrease in net capital assets from 2024 to 2025 is primarily due to depreciation expense of $3,030,494 exceeding the capital asset additions of $235,255 in the current year.

A summary of the Authority's long-term debt as of December 31, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Long-Term Debt	$ 30,842,717	$ 30,824,805	$ 17,912

Note 6 to the financial statements details the long-term debt transactions during the year.

5. FACTORS BEARING ON THE AUTHORITY'S FUTURE

Major Shows

The Authority expects to continue hosting many annual shows, including The Harlem Globetrotters, WWE, Utica University Hockey, local high school and college graduations, as well as other athletic competitions, concerts, and other events. Professional sports returned to the Adirondack Bank Center with the Utica Comets of the American Hockey League in 2013 and with the addition of Utica City FC of the Major Arena Soccer League in 2018. In 2025, there were a total of 81 events with a total of 159,475 people in attendance.

PILOT Payment Amount

The Authority's PILOT payment is paid in monthly installments from the Mohawk Valley Water Authority. The payment totaled $805,255 for both years ended 2025 and 2024. This amount will remain at $805,260 until 2027, when it is scheduled to increase to $885,781.

6. CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those who have an interest in this Authority's finances. Questions concerning any of the information presented in this report, or requests for additional financial information should be addressed to the Upper Mohawk Valley Memorial Auditorium Authority, 400 Oriskany Street West, Utica, NY 13502.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	$ 32,191	$ 171,264
Cash Held with Trustee	76	14,373
Accounts Receivable	29,174	19,044
Total Current Assets	61,441	204,681
Capital Assets		
Land	2,084,670	2,084,670
Buildings and Improvements	89,764,547	89,624,166
Equipment and Machinery	3,258,249	3,163,375
Total Capital Assets	95,107,466	94,872,211
Less: Accumulated Depreciation	(17,645,329)	(14,614,835)
Capital Assets, Net	77,462,137	80,257,376
Total Assets	$ 77,523,578	$ 80,462,057
Liabilities		
Current Liabilities		
Accounts Payable	$ 1,868	$ 305,897
Note Payable		552,000
Long-term Debt, Current Portion	836,272	820,401
Deferred Revenue	61,875	61,875
Total Current Liabilities	900,015	1,740,173
Noncurrent Liabilities		
Long-term Debt, Net of Current Portion	30,006,445	30,004,404
Total Liabilities	30,906,460	31,744,577
Net Position		
Net Investment in Capital Assets	46,619,420	49,432,571
Unrestricted (Deficit)	(2,302)	(715,091)
Total Net Position	46,617,118	48,717,480
Total Liabilities and Net Position	$ 77,523,578	$ 80,462,057

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

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Municipal Subsidies and Grants	$ 805,255	$ 805,255
Grant Revenues		2,000,000
Advertising Income	157,500	82,500
Capitalization Fund Income	179,341	238,613
Lease Income		500,000
Interest Income	320	3,157
County Project Funding	1,713,197	1,727,905
Other Income	7,775	
Total Revenues	2,863,388	5,357,430
Operating Expenses		
Auditorium Operations	841,569	809,278
Repairs and Maintenance	25,570	9,112
Bank Charges	16,840	1,700
USA Hockey Expense		2,000,000
Miscellaneous		15,000
Contractual Payments to County		700,000
Loss on Asset Disposal		8,225
Depreciation	3,030,494	2,932,434
Total Operating Expenses	3,914,473	6,475,749
(Loss) From Operations	(1,051,085)	(1,118,319)
Other Expenses		
Interest	1,049,277	1,018,509
Total Other Expenses	1,049,277	1,018,509
Change in Net Position	(2,100,362)	(2,136,828)
Net Position, Beginning of Year	48,717,480	50,854,308
Net Position, End of Year	$ 46,617,118	$ 48,717,480

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

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From (Used By) Operating Activities		
Cash Received from Government Subsidies and Grants	$ 805,255	$ 3,405,255
Cash Received from Customers	2,048,003	2,558,076
Cash Paid for Goods and Services	(1,188,008)	(2,529,193)
Cash Paid to Governments		(1,300,000)
Net Cash From Operating Activities	1,665,250	2,134,138
Cash Flows From (Used By) Capital and Related Financing Activities		
Note Payable Issued		552,000
Note Payable Payments	(552,000)	
Mortgage Issued	1,335,000	
Cash Payments for the Purchase of Property	(235,255)	(737,760)
Proceeds from the Sale of Property		28,000
Principal Payments on Long-term Debt	(1,317,088)	(802,596)
Interest Expense	(1,049,277)	(1,018,509)
Net Cash (Used By) Capital and Related Financing Activities	(1,818,620)	(1,978,865)
Net Increase (Decrease) in Cash and Cash Equivalents	(153,370)	155,273
Cash and Cash Equivalents, Beginning of Year	185,637	30,364
Cash and Cash Equivalents, End of Year	$ 32,267	$ 185,637
Reconciliation of Income Before Non-Operating to Net Cash Flows From (Used By) Operating Activities:		
(Loss) From Operations	$ (1,051,085)	$ (1,118,319)
Adjustments to Reconcile (Loss) from Operations to Cash Flows From Operating Activities:		
Depreciation	3,030,494	2,932,434
Loss on Asset Disposal		8,225
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(10,130)	5,901
Grants Receivable		600,000
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(304,029)	305,897
Accrued Liability		(600,000)
Net Cash Flows From Operating Activities	$ 1,665,250	$ 2,134,138

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background and Operations

The Upper Mohawk Valley Memorial Auditorium Authority (the Authority) was established in 1996 as a public benefit corporation under New York State law to own and manage the activities of the former City of Utica's Memorial Auditorium. On December 19, 1996, the City of Utica sold the entire facility and its contents to the Authority for one dollar. At that same time, all of the operations of the auditorium facility became the responsibility of the Authority.

The Authority contracts with Garden Entertainment, LLC to manage the day-to-day operations, as discussed in Note 7. The Auditorium is a 3,935-seat arena. It hosts a variety of events, ranging from college and professional ice hockey, basketball tournaments, cheerleading and wrestling competitions, to concerts and trade shows. The Authority also owns several parking lots and lands adjacent to the Auditorium.

In January 2020, the Authority began construction on the Nexus Center Project. The project consisted of the design, development, construction, and equipping of an approximately 170,000 sq. ft. sports and recreation facility, known as the Nexus Center. In November 2022, the Nexus Center opened to the public. This facility is considered part of the Authority, as defined in the New York Public Authorities Law, Article 8, Title 10-B, Section 1940.

In accordance with the Governmental Accounting Standards Board the financial activity of the Authority is presented in the County of Oneida New York's annual financial statements as a blended component unit.

The Authority has a nine-member board, which is responsible for the overall direction of the Auditorium. The Oneida County Executive appoints five members and the Oneida County legislature appoints the remaining four members.

Basis of Accounting

The Authority's financial statements are prepared in accordance with GAAP as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities of the Authority are accounted for within a single proprietary (Enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income, is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

In accordance with GASB standards, the accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. As required by GASB standards, the transactions of the Authority are accounted for on a flow of economic resources measurement focus and accrual basis of accounting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Classifications

In the financial Statements, there are three classes of Net Position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets.

Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Authority did not report any restricted net position at December 31, 2025 or 2024, respectively.

Unrestricted Net Position – reports the balance of Net Position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Authority.

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority has adopted the direct method of reporting net cash flows from operating activities and considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are recorded at cost and depreciated over its estimated useful life ranging from 5 to 40 years using the straight-line depreciation method. The Authority's capitalization threshold is $2,500. The Authority does not capitalize interest.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

The Authority has an agreement with Adirondack Bank for the naming rights of the Auditorium, in which the Authority receives $165,000 annually of advertising income for naming the Auditorium after Adirondack Bank. The Authority must provide 50% of the amounts received for the naming rights contract to Garden Management, LLC. The agreement goes from October 1- September 30 each year. Since the agreement overlaps with the Authority's fiscal year, the Authority recognizes one quarter of the advertising income in the current fiscal year, and defers the income relating to the remaining three quarters to the subsequent year when the contract will be fulfilled. Deferred advertising income was $61,875 at both December 31, 2025 and 2024.

Lease Income

The Authority received $500,000 in lease income from Garden Management for use of the Nexus Center during 2024. No lease income was received during 2025. There is no formal lease agreement or term, and the Board can decide when payments are made. Therefore, this arrangement does not meet the criteria for reporting under GASB 87.

Revenue Recognition

The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Operating revenues are mostly comprised of government grants and subsidies revenue and lease income resulting from exchange transaction associated with the principal activities of the Authority. The Authority also receives capitalization fund income for ice time rentals. Other operating revenues are recognized when service has been rendered and collection is reasonably assured. The Authority's operating expenses include operations and maintenance expenses. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 2 TAX STATUS

As a public benefit corporation, the Authority is exempt from federal and state income taxes, as well as state and local property and sales taxes.

NOTE 3 CUSTODIAL AND CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's cash consists of demand deposits. New York State Public Authority Law governs the Authority's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

The Authority's bank deposits of $50,214 and $197,636 as of December 31, 2025 and 2024, respectively, were fully secured by the FDIC.

NOTE 4 CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2025 is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 2,084,670	$	$	$ 2,084,670
Total Capital Assets Not Being Depreciated	2,084,670			2,084,670
Capital Assets Being Depreciated				
Building & Improvements	89,624,166	140,381		89,764,547
Equipment	3,163,375	94,874		3,258,249
Total Capital Assets Being Depreciated	92,787,541	235,255		93,022,796
Accumulated Depreciation				
Building & Improvements	12,986,398	2,745,790		15,732,188
Equipment	1,628,437	284,704		1,913,141
Total Accumulated Depreciation	14,614,835	3,030,494		17,645,329
Net Capital Assets	$ 80,257,376	$(2,795,239)	$	$ 77,462,137

Capital Asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 2,084,670	$	$	$ 2,084,670
Total Capital Assets Not Being Depreciatec	2,084,670			2,084,670
Capital Assets Being Depreciated				
Building & Improvements	89,602,687	21,479		89,624,166
Equipment	2,539,585	716,280	92,490	3,163,375
Total Capital Assets Being Depreciated	92,142,272	737,759	92,490	92,787,541
Accumulated Depreciation				
Building & Improvements	10,247,056	2,739,342		12,986,398
Equipment	1,491,611	193,092	56,266	1,628,437
Total Accumulated Depreciation	11,738,667	2,932,434	56,266	14,614,835
Net Capital Assets	$82,488,275	$ (2,194,675)	$ 36,224	$80,257,376

NOTE 4 CAPITAL ASSETS (Continued)

Depreciation expense charged for the year December 31, 2025 and 2024 was $3,030,494 and $2,932,434, respectively.

NOTE 5 NOTE PAYABLE

The Authority executed two notes payable, both with the Bank of Utica, in November and December 2024 totaling $552,000. The notes are part of the Authority's refinancing of the Bank of Utica Mortgage for the 470 Whitesboro Street property. The Authority paid $19,399 and $0 in interest expense applicable to the notes for the years ended December 31, 2025 and 2024, respectively. The notes were paid in full during 2025.

NOTE 6 LONG-TERM DEBT

Long-term debt balances and activity for the year ended December 31, 2025 are as follows:

Issue	Beginning Balance	Issued	Paid	Ending Balance	Amounts Due Within One Year
Nexus Center - Bond	$30,310,000	$	$ 770,000	$29,540,000	$ 780,000
Bank of Utica - Mortgage 470 Whitesboro St.		1,335,000	32,283	1,302,717	56,272
Bank of Utica - Mortgage 470 Whitesboro St.	514,805		514,805		
Total	$30,824,805	$ 1,335,000	$ 1,317,088	$30,842,717	$ 836,272

Long-term debt balances and activity for the year ended December 31, 2024 are as follows:

Issue	Beginning Balance	Issued	Paid	Ending Balance	Amounts Due Within One Year
Nexus Center - Bond	$31,065,000	$	$ 755,000	$30,310,000	$ 770,000
Urban Renewal - Loan	12,000		12,000		
Bank of Utica - Mortgage 470 Whitesboro St.	550,401		35,596	514,805	50,401
Total	$31,627,401	$	$ 802,596	$30,824,805	$ 820,401

Details relating to the bond and mortgage payable of the Authority at December 31, 2025 and 2024, are as follows:

Issue	Original Issue	Issue Amount	Final Maturity	Interest	Outstanding Amount 2025	Outstanding Amount 2024
Nexus Center - Bond	9/30/2021	$31,805,000	12/1/2051	2.00-3.50%	$29,540,000	$30,310,000
Bank of Utica - Mortgage 470 Whitesboro St.	3/28/2025	$ 1,335,000	3/28/2040	Prime + 1%	1,302,717	
Bank of Utica - Mortgage 470 Whitesboro St.	1/12/2019	$ 750,000	1/11/2034	5.75%		514,805
Total					$30,842,717	$30,824,805

Interest expense on long term debt was $1,035,388 and $1,018,509 for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 LONG-TERM DEBT (Continued)

Debt service over the remaining term of the debt payable is summarized as follows:

Year	Principal	Interest	Total
2026	$ 836,272	$ 1,032,341	$ 1,868,613
2027	855,191	1,015,163	1,870,354
2028	874,381	995,072	1,869,453
2029	898,864	972,769	1,871,633
2030	918,659	948,884	1,867,543
2031-2035	5,032,752	4,317,888	9,350,640
2036-2040	5,871,598	3,373,444	9,245,042
2041-2045	6,345,000	2,293,200	8,638,200
2046-2050	7,540,000	1,102,325	8,642,325
2051	1,670,000	58,450	1,728,450
Total	$ 30,842,717	$ 16,109,536	$ 46,952,253

On September 30, 2021, the Authority issued $31,805,000 in revenue bonds at 2.00%-3.50%, maturing December 1, 2051, to fund the remaining costs of the Nexus Center Project. On October 1, 2021, the Authority entered into a Project Funding Agreement with Oneida County, whereby the County agreed to pay the Debt Service Charges payable on the bonds, which commenced on May 1, 2023. Additionally, the Authority agreed to make quarterly payments to the County to be used by the County in making these project funding payments. During 2025, the Project Funding Agreement was amended. The Authority will not pay the County during years 2025-2030. The 6 years of the Authority's payments have been added to the end of the agreement period and are to be paid in years 2052-2057. The obligation of the County to make project funding payments is subject to annual appropriation by the County Legislature to the extent (i) required by applicable law, and (ii) otherwise necessary for the County to have funds available to make such payments. The total debt service to be paid by the County and the Authority's annual contractual payments to be made to the County over the remaining term of the bond is as follows:

Year	Principal	Interest	Total	Contractual Payments made to County by Authority to offset Debt Service	Debt Service Paid by County (Net)
2026	$ 780,000	$ 946,255	$ 1,726,255	$	$ 1,726,255
2027	795,000	932,995	1,727,995		1,727,995
2028	810,000	917,095	1,727,095		1,727,095
2029	830,000	899,275	1,729,275		1,729,275
2030	845,000	880,185	1,725,185		1,725,185
2031-2035	4,580,000	4,058,851	8,638,851	3,650,000	4,988,851
2036-2040	5,345,000	3,293,125	8,638,125	3,900,000	4,738,125
2041-2045	6,345,000	2,293,200	8,638,200	4,060,000	4,578,200
2046-2050	7,540,000	1,102,325	8,642,325	4,100,000	4,542,325
2051-2055	1,670,000	58,450	1,728,450	3,620,000	(1,891,550)
2056-2057				1,400,000	(1,400,000)
Total	$29,540,000	$15,381,756	$44,921,756	$ 20,730,000	$ 24,191,756

NOTE 7 MANAGEMENT CONTRACT

On September 1, 2013, Garden Entertainment, LLC was contracted to operate the auditorium facility. The agreement was for a term of six years, until August 31, 2019, with a one-time extension of six years to August 31, 2025. On October 17, 2017, the Authority agreed to extend the Management Agreement for an additional ten years to August 31, 2035.

The Authority will utilize the subsidy from the Mohawk Valley Water Authority, discussed in Note 8 to pay debt service and operating expenses of the facility. All operating expenses beyond this are the responsibility of Garden Entertainment, LLC. The Authority retains the responsibility for capital improvements and repairs, and maintenance to the facility.

Under the management agreement, Garden Entertainment pays the Authority a Capitalization Fund Fee (Cap Fee) of $1 per person for each ticket admitted to an event, and $3 for each person who is ticketed into the Auditorium Suites. For the year ended December 31, 2025 and 2024, the Capitalization Fund Income was $179,341 and $238,613, respectively.

NOTE 8 OPERATING CONSIDERATION

The Authority is assisted with its financial activities by receiving an annual subsidy from the County of Oneida (via the Mohawk Valley Water Authority). The subsidy began in 1997 at $500,000 and increases by 10% every 6th year for forty years. The payment, which is a payment in lieu of taxes to the County, is provided for under New York State Public Authorities Law Section 1226-r (3) (c). The subsidy is intended to provide the necessary funding to assist the Authority in meeting its operating expenses.

The payments are as follows for each year since commencement:

1997-2001	$ 500,000
2002-2006	$ 550,000
2007-2011	$ 605,000
2012-2016	$ 665,500
2017-2021	$ 732,050
2022-2026	$ 805,260
2027-2031	$ 885,781
2032-2036	$ 974,359

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2026, the date on which the financial statements were available to be issued.