BATAVIA DEVELOPMENT CORPORATION

Consolidated Financial Statements,
Required Supplementary Information and
Supplementary Information for the
Years Ended March 31, 2026 and 2025
and Independent Auditors' Reports

Drescher
& Malecki
Certified Public Accountants

BATAVIA DEVELOPMENT CORPORATION

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Years Ended March 31, 2026 and 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Batavia Development Corporation

Report on the Audit of the Consolidated Financial Statements

Opinions

We have audited the consolidated financial statements of the Batavia Development Corporation and its wholly owned subsidiary Creek Park Batavia LLC (collectively referred to as the "Corporation"), as of March 31, 2026 and 2025, and the related notes to the consolidated financial statements, which collectively comprise the Corporation's consolidated financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of March 31, 2026 and 2025, and the changes in its financial position and its 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the comparative financial statements have been restated. Our opinion is not modified with respect to this matter.

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 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 the Corporation's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAAS and GAS 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 GAAS and GAS, 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 Corporation'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 the Corporation'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 consolidated financial statements. Such information is the responsibility of management and, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the consolidated 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 consolidated financial statements, and other knowledge we obtained during our audit of the consolidated 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the Corporation's consolidated financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2026 on our consideration of the Corporation'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 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 Corporation's internal control over financial reporting and compliance.

Drescher & Malecki LLP

June 17, 2026

As management of the Batavia Development Corporation and its wholly owned subsidiary, Creek Park Batavia LLC (collectively referred to as the "Corporation"), we offer readers of the Corporation's consolidated financial statements this narrative overview and analysis of the financial activities of the Corporation for the years ended March 31, 2026 and 2025. This document should be read in conjunction with additional information that we have furnished in the Corporation's consolidated financial statements which follow this narrative.

Financial Highlights

- The assets of the Corporation exceeded liabilities at March 31, 2026 and 2025, as restated, by $106,540 and $172,857, respectively. These amounts are considered *unrestricted net position* and may be used to fund the Corporation's ongoing operations.

- The Corporation's net position decreased by $66,317 and increased $16,093 during the years ended March 31, 2026 and 2025, as restated, respectively.

Overview of the Consolidated Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's consolidated financial statements. The Corporation's consolidated financial statements comprise of two components: 1) the Corporation's consolidated financial statements and, 2) notes to those consolidated financial statements. This report also contains other supplementary information in addition to the consolidated financial statements themselves.

Consolidated financial statements—The consolidated financial statements are prepared using the accrual basis of accounting. The consolidated financial statements include:

The *statements of net position* present information on all of the Corporation's assets, liabilities, and deferred outflows/inflows of resources, with the differences reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The *statements of revenue, expenses, and change in net position* present information showing how the Corporation's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *statements of cash flows* present the cash provided and used during 2026 and 2025 and how it affects the cash balances at March 31, 2026 and 2025.

The consolidated financial statements can be found on pages 8-10 of this report.

Notes to the consolidated financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the consolidated financial statements. The notes to the consolidated financial statements can be found on pages 11-14 of this report.

The combining statements can be found as Supplementary Information to the financial statements on pages 15-20 of this report.

Financial Analysis

These statements help users assess the Corporation's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing. Condensed financial highlights of these statements are presented below.

Table 1—Condensed Statements of Net Position

	March 31,		
	2026	2025 (as restated)	2024
Assets:			
Current assets	$ 132,016	$ 193,750	$ 168,968
Total assets	132,016	193,750	168,968
Liabilities:			
Current liabilities	15,192	9,923	6,707
Noncurrent liabilities	10,284	10,970	-
Total liabilities	25,476	20,893	6,707
Net position:			
Unrestricted	$ 106,540	$ 172,857	$ 162,261

The largest portion of the Corporation's current assets are cash and cash equivalents. These assets decreased in the year ended March 31, 2026 and increased in the year ended March 31, 2025 primarily from fluctuations relating to operating activities.

The largest portion of the Corporation's current liabilities were unearned revenue at March 31, 2026 and March 31, 2025. The Corporation's unearned revenue increased by $5,000 during the year ended March 31, 2026 due to the receipt of additional grant funds that have not yet been spent. Noncurrent liabilities consist of the Corporation's compensated absences liability.

Corporation activities—Corporation activities decreased net position by $66,317 for the year ended March 31, 2026, increased by $16,093 for the year ended March 31, 2025, and decreased by $16,930 for the year ended March 31, 2024. Condensed versions of the statements of revenues, expenses, and changes in net position are presented in Table 2 on the following page.

Table 2—Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended March 31,		
	2026	2025 (as restated)	2024
Operating revenues	$ 123,129	$ 123,300	$ 110,800
Operating expenses	192,302	129,197	152,693
Operating income (loss)	(69,173)	(5,897)	(41,893)
Grant revenues	-	18,834	23,500
Interest income	2,856	3,156	1,463
Grant pass-through revenues	-	221,115	353,885
Grant pass-through expenses	-	(221,115)	(353,885)
Non-operating revenues (expenses)	2,856	21,990	24,963
Change in net position	(66,317)	16,093	(16,930)
Total net position—beginning	183,827	162,261	179,191
Restatement for correction of error	(10,970)	(5,497)	-
Total net position—beginning, as restated	172,857	156,764	179,191
Total net position—ending	$ 106,540	$ 172,857	$ 162,261

Operating revenues primarily include annual contributions from the City of Batavia. During the year ended March 31, 2026, operating revenues decreased by $171, primarily due to a decrease in administrative fees received from the City of Batavia. During the year ended March 31, 2025, operating revenues increased by $12,500, primarily due to an increase in contributions and administrative fees received from the City of Batavia.

Operating expenses primarily consist of the administration costs and professional services. During the year ended March 31, 2026, operating expenses increased by $63,105, primarily due to increases in professional services related grant applications and an application fee for the Brownfield Cleanup Program. During the year ended March 31, 2025, operating expenses decreased by $23,496, primarily due to decreases in professional services related to the Corporation's Brisbane mansion project.

During the year ended March 31, 2026, there were no pass-through grants as the Corporation was in the process of applying for new grants.

Cash flows—Corporation cash and cash equivalents decreased by $61,569 for the year ended March 31, 2026, increased by $65,176 for the year ended March 31, 2025, and decreased by $36,434 for the year ended March 31, 2024. Key elements of these changes are presented on the following page in Table 3.

Table 3—Condensed Statements of Cash Flows

	Year Ended March 31,		
	2026	2025	2024
Cash flows provided by/(used for):			
Operating Activites	(69,425)	39,686	(42,897)
Noncapital financing activities	5,000	22,334	5,000
Investing activities	2,856	3,156	1,463
Net change in cash and cash equivalents	(61,569)	65,176	(36,434)
Cash and cash equivalents—beginning	193,585	128,409	164,843
Cash and cash equivalents—ending	$ 132,016	$ 193,585	$ 128,409

Request for Information—This financial report is designed to provide a general overview for those parties interested in the Corporation's finances. Questions concerning any of the information provided in this financial report or requests for additional information should be addressed to:

Batavia Development Corporation
City of Batavia, New York
One Batavia City Centre
Batavia, New York 14020

CONSOLIDATED FINANCIAL STATEMENTS

BATAVIA DEVELOPMENT CORPORATION
Consolidated Statements of Net Position
March 31, 2026 and 2025

	2026	2025 (as restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 122,016	$ 188,585
Restricted cash and cash equivalents	10,000	5,000
Receivables	-	165
Total assets	132,016	193,750
LIABILITIES		
Current liabilities:		
Accounts payable	2,785	2,988
Accrued liabilities	2,407	1,935
Unearned revenue	10,000	5,000
Total current liabilities	15,192	9,923
Noncurrent liabilities:		
Due within one year	1,028	1,097
Due within more than one year	9,256	9,873
Total noncurrent liabilities	10,284	10,970
Total liabilities	25,476	20,893
NET POSITION		
Unrestricted	106,540	172,857
Total net position	$ 106,540	$ 172,857

The notes to the consolidated financial statements are an integral part of these statements.

Batavia Development Corporation
Consolidated Statements of Revenues, Expenses and Changes in Net Position
Years Ended March 31, 2026 and 2025

	2026	2025 (as restated)
Operating revenues:		
City of Batavia	$ 116,700	$ 113,300
Administrative fee	-	10,000
Miscellaneous	6,429	-
Total operating revenues	123,129	123,300
Operating expenses:		
Salary and benefits	91,460	93,012
Insurance	9,960	7,352
Office expenses	2,185	670
Travel and training	1,246	1,293
Marketing and public relations	1,694	2,338
Professional services	85,757	24,532
Total operating expenses	192,302	129,197
Operating income (loss)	(69,173)	(5,897)
Nonoperating revenues (expenses):		
Grant revenues	-	18,834
Interest income	2,856	3,156
Grant pass-through revenues	-	221,115
Grant pass-through expenses	-	(221,115)
Total nonoperating revenues (expenses)	2,856	21,990
Change in net position	(66,317)	16,093
Total net position—beginning	183,827	162,261
Restatement for correction of error	(10,970)	(5,497)
Total net position—beginning, as restated	172,857	156,764
Total net position—ending	$ 106,540	$ 172,857

The notes to the consolidated financial statements are an integral part of these statements.

BATAVIA DEVELOPMENT CORPORATION
Consolidated Statements of Cash Flows
Years Ended March 31, 2026 and 2025

	2026	2025 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from governmental agencies	$ 116,700	$ 113,300
Payments to service providers and suppliers	(101,045)	(34,300)
Payments for employee services	(91,674)	(87,215)
Receipts from other operating revenues	165	47,901
Receipts from miscellaneous revenues	6,429	-
Net cash provided by (used for) operating activities	(69,425)	39,686
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt of grants	5,000	22,334
Receipt of pass-through grants	-	221,115
Payments of pass-through grants	-	(221,115)
Net cash provided by noncapital financing activities	5,000	22,334
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	2,856	3,156
Net cash provided by investing activities	2,856	3,156
Net change in cash and cash equivalents	(61,569)	65,176
Total cash and cash equivalents—beginning	193,585	128,409
Total cash and cash equivalents—ending	$ 132,016	$ 193,585
Reconciliation of operating income (loss) to net cash (used for) provided by operating activities:		
Operating income (loss)	$ (69,173)	$ (5,897)
Adjustments to reconcile operating (loss) to net cash (used for) provided by operating activities:		
Decrease in receivables	165	37,901
Decrease in prepaid items	-	2,493
(Decrease) accounts payable	(203)	(608)
Increase in accrued liabilities	472	324
(Decrease) increase in noncurrent liabilities	(686)	5,473
Net cash (used for) provided by operating activities	$ (69,425)	$ 39,686

The notes to the consolidated financial statements are an integral part of these statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Batavia Development Corporation (the "BDC") was formed under Not-for-Profit Corporation Law of the State of New York on May 22, 1981. The BDC is a not-for-profit Corporation that was formed for the purpose of creating employment opportunities, thereby improving the quality and condition of the life in the City of Batavia, New York (the "City"). The BDC is a public benefit organization that is subject to the Public Authority Accountability Act of 2005.

The BDC encourages and affects the retention of existing business and industry, as well as encourages the location and expansion of residential, commercial, industrial, and manufacturing facilities of the City.

Financial Reporting Entity—The consolidated financial statements include the accounts of the BDC and its wholly own subsidiary, Creek Park Batavia, LLC ("Creek Park"). Creek Park was formed in 2018 to negotiate the purchase and economic development of a vacant parcel of land. The BDC is the sole member of Creek Park and therefore, Creek Park is included in the consolidated reporting entity of the BDC as a blended component unit. The BDC and Creek Park are collectively referred to as the "Corporation."

Basis of Presentation—The consolidated financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America. The consolidated financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described below.

Basis of Accounting—The accounts of the Corporation are maintained on the accrual basis of accounting. As such, revenues are recognized in the period in which they are earned and expenses are recognized in the period in the period in which they are incurred.

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 revenues and expenses during the reporting period and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash, Cash Equivalents and Investments—The Corporation's cash, cash equivalents and investments consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days or less from the date of acquisition. The Corporation had no investments at March 31, 2026 and 2025; however, when the Corporation does have investments they are recorded at fair value in accordance with the Governmental Accounting Standards Board ("GASB").

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent cash from unearned revenue.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for financial statement purposes. At March 31, 2026 and 2025, the Corporation reported $10,000 and $5,000, respectively, in unearned revenues for resources which have been transmitted to the Corporation before the eligibility requirements have been met.

Revenues and Expenses

Revenues—The Corporation receives support and revenue primarily from the City. Support and revenue are recognized as services are performed. The Corporation recognized $116,700 and $113,300 of revenue from the City for each the years ended March 31, 2026 and 2025, respectively.

Expenses—Expenses are recorded on the accrual basis of accounting. Operating expenses consist of program expenses incurred in connection with the Corporation's programs.

Income Taxes—The Corporation is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in the financial statements.

Other

Adoption of New Accounting Pronouncements—During the year ended March 31, 2026, the Corporation implemented GASB Statement No. 102, *Certain Risk Disclosures*. GASB Statement No. 102 improves financial reporting by enhancing accounting and financial reporting requirements for risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of GASB Statement No. 102 did not have a material impact on the Corporation's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Corporation has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending March 31, 2027, and No. 105, *Subsequent Events*, effective for the year ending March 31, 2028. The Corporation is, therefore, unable to disclose the impact that adopting GASB Statements No. 103, 104, and 105 will have on its financial position and results of operations when such statements are adopted.

Deficit Net Position—The Creek Park reported a total net position deficit of $95,815 and $34,434 at March 31, 2026 and 2025, resulting primarily from the cost of professional services exceeding operating revenues. The deficit will be remedied as revenues become available.

2. RESTATEMENT OF NET POSITION

During the year ended March 31, 2026, the Corporation reevaluated the implementation of GASB 101 and corrected a prior year error. As a result, net position was restated by $(10,970) as of April 1, 2026 and by $(5,497) as of April 1, 2025.

3. CASH AND CASH EQUIVALENTS

The Corporation's investment policies are governed by New York State statutes. There were no investments at March 31, 2026 or 2025. All deposits are carried at fair value. Collateral is required for demand deposits and certificates of deposits for all deposits not covered by federal deposit 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 and school districts.

Total cash and cash equivalents of the Corporation at March 31, 2026 and 2025 are shown on the following page.

	2026	2025
Cash on deposit	$ 132,016	$ 193,585
Total	$ 132,016	$ 193,585

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. At March 31, 2026 and 2025, the Corporation's deposits were FDIC insured.

Restricted Cash—The Corporation reports restricted cash of $10,000 and $5,000 at March 31, 2026 and 2025, respectively, to support unearned grant revenue.

4. RECEIVABLES

Receivables—Significant revenues accrued by the Corporation at March 31, 2026 and 2025 are shown below:

	2026	2025
Miscellaneous refund	-	165
Total	$ -	$ 165

5. LONG-TERM LIABILITIES

In the comparative financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position. The Corporation's outstanding long-term liabilities consist of compensated absences.

A summary of changes in the Corporation's long-term debt for the years ended March 31, 2026 follows and March 31, 2025 are presented below:

	Balance 4/1/2025 (as restated)	Additions	Reductions	Balance 3/31/2026	Due Within One Year
Compensated Absences*	$ 10,970	$ -	$ 686	$ 10,284	$ 1,028
Total	$ 10,970	$ -	$ 686	$ 10,284	$ 1,028

(*Changes to compensated absences are shown net.)

	Balance 4/1/2024 (as restated)	Additions	Reductions	Balance 3/31/2025	Due Within One Year
Compensated Absences*	$ 5,497	$ -	$ (5,473)	$ 10,970	$ 1,097
Total	$ 5,497	$ -	$ (5,473)	$ 10,970	$ 1,097

(*Changes to compensated absences are shown net.)

Compensated Absences—The Corporation records the value of compensated absences for accrued vacation and sick leave balances. As these benefits become payable, they are expensed through the Corporation's payroll. The value recorded in the statement of net position at March 31, 2026 and March 31, 2025 is $10,284 and $10,970, respectively. Since the payment of leave time is dependent upon many factors, the timing of future payments is not readily determinable; however, management estimates $1,097 is due within one year.

6. PASS-THROUGH GRANTS

During the year ended March 31, 2026, there were no pass-through grants. During the year ended March 31, 2025, the Corporation coordinated a reimbursable pass-through grant agreement with the New York State Office of Community Renewal. The Corporation passed-through $143,515 and $77,600 to Batavia Players, Inc. and Neppalli Holdings, LLC, which were reported as non-operating revenues and expenses.

7. CONTINGENCIES

In the normal course of operations, the Corporation receives grant funds from various federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions that are specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenses resulting from such audits could become a liability of the Corporation. While the amount of expenses, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 17, 2026, which is the date the consolidated financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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Supplementary Information

BATAVIA DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
March 31, 2026

	Batavia Development Corporation	Creek Park Batavia LLC	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 104,928	$ 17,088	$ -	$ 122,016
Restricted cash and cash equivalents	10,000	-	-	10,000
Receivables	-	-	-	-
Due from other funds	112,228	-	(112,228)	-
Total assets	227,156	17,088	(112,228)	132,016
LIABILITIES				
Current liabilities:				
Accounts payable	2,110	675	-	2,785
Accrued liabilities	2,407	-	-	2,407
Unearned revenue	10,000	-	-	10,000
Due to other funds	-	112,228	(112,228)	-
Total current liabilities	14,517	112,903	(112,228)	15,192
Noncurrent liabilities:				
Due within one year	1,028	-	-	1,028
Due within more than one year	9,256	-	-	9,256
Total noncurrent liabilities	10,284	-	-	10,284
Total liabilities	24,801	112,903	(112,228)	25,476
NET POSITION (DEFICIT)				
Unrestricted	202,355	(95,815)	-	106,540
Total net position (deficit)	$ 202,355	$ (95,815)	$ -	$ 106,540

BATAVIA DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
March 31, 2025
(as restated)

	Batavia Development Corporation	Creek Park Batavia LLC	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 178,638	$ 9,947	$ -	$ 188,585
Restricted cash and cash equivalents	5,000	-	-	5,000
Receivables	165	-	-	165
Due from other funds	42,228	-	(42,228)	-
Total assets	226,031	9,947	(42,228)	193,750
LIABILITIES				
Current liabilities:				
Accounts payable	835	2,153	-	2,988
Accrued liabilities	1,935	-	-	1,935
Unearned revenue	5,000	-	-	5,000
Due to other funds	-	42,228	(42,228)	-
Total current liabilities	7,770	44,381	(42,228)	9,923
Noncurrent liabilities:				
Due within one year	1,097	-	-	1,097
Due within more than one year	9,873	-	-	9,873
Total noncurrent liabilities	10,970	-	-	10,970
Total liabilities	18,740	44,381	(42,228)	20,893
NET POSITION (DEFICIT)				
Unrestricted	207,291	(34,434)	-	172,857
Total net position (deficit), as restated	$ 207,291	$ (34,434)	$ -	$ 172,857

BATAVIA DEVELOPMENT CORPORATION

Consolidating Statement of Revenues, Expenses and Changes in Net Position

Year Ended March 31, 2026

	Batavia Development Corporation	Creek Park Batavia LLC	Eliminations	Total
Operating revenues:				
City of Batavia	$ 116,700	$ -	$ -	$ 116,700
Miscellaneous	6,429	-	-	6,429
Total operating revenues	123,129	-	-	123,129
Operating expenses:				
Salary and benefits	91,460	-	-	91,460
Insurance	9,960	-	-	9,960
Office expenses	2,185	-	-	2,185
Travel and training	1,246	-	-	1,246
Marketing and public relations	1,694	-	-	1,694
Professional services	24,376	61,381	-	85,757
Total operating expenses	130,921	61,381	-	192,302
Operating income (loss)	(7,792)	(61,381)	-	(69,173)
Nonoperating revenues:				
Interest income	2,856	-	-	2,856
Total nonoperating revenues	2,856	-	-	2,856
Change in net position	(4,936)	(61,381)	-	(66,317)
Net position (deficit)—beginning, as restated	207,291	(34,434)	-	172,857
Net position (deficit)—ending	$ 202,355	$ (95,815)	$ -	$ 106,540

BATAVIA DEVELOPMENT CORPORATION
Consolidating Statement of Revenues, Expenses and Changes in Net Position
Year Ended March 31, 2025
(as restated)

	Batavia Development Corporation	Creek Park Batavia LLC	Eliminations	Total
Operating revenues:				
City of Batavia	$ 113,300	$ -	$ -	$ 113,300
Administrative Fee	10,000	-	-	10,000
Total operating revenues	123,300	-	-	123,300
Operating expenses:				
Salary and benefits	93,012	-	-	93,012
Insurance	7,352	-	-	7,352
Office expenses	670	-	-	670
Travel and training	1,293	-	-	1,293
Marketing and public relations	2,338	-	-	2,338
Professional services	12,643	11,889	-	24,532
Total operating expenses	117,308	11,889	-	129,197
Operating (loss)	5,992	(11,889)	-	(5,897)
Nonoperating revenues (expenses):				
Grant revenues	18,834	-	-	18,834
Interest Income	3,156	-	-	3,156
Grant pass-through revenues	221,115	-	-	221,115
Grant pass-through expenses	(221,115)	-	-	(221,115)
Total nonoperating revenues (expenses)	21,990	-	-	21,990
Change in net position	27,982	(11,889)	-	16,093
Net position—beginning, as previously reported	184,806	(22,545)	-	162,261
Restatement for correction of error	(5,497)	-	-	(5,497)
Net position—beginning, as restated	179,309	(22,545)	-	156,764
Net position—ending (deficit)	$ 207,291	$ (34,434)	$ -	$ 172,857

BATAVIA DEVELOPMENT CORPORATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	Batavia Development Corporation	Creek Park Batavia LLC	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from governmental agencies	$ 116,700	$ -	$ -	$ 116,700
Payments to service providers and suppliers	(38,186)	(62,859)	-	(101,045)
Payments for employee services	(91,674)	-	-	(91,674)
Receipts from other operating revenues	165	-	-	165
Receipts from miscellaneous revenues	6,429	-	-	6,429
Net cash provided by (used for) operating activities	(6,566)	(62,859)	-	(69,425)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from (to) other funds	(70,000)	70,000	-	-
Receipt of grants	5,000	-	-	5,000
Net cash provided by (used for) noncapital financing activities	(65,000)	70,000	-	5,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,856	-	-	2,856
Net cash provided by investing activities	2,856	-	-	2,856
Net change in cash and cash equivalents	(68,710)	7,141	-	(61,569)
Total cash and cash equivalents—beginning	183,638	9,947	-	193,585
Total cash and cash equivalents—ending	$ 114,928	$ 17,088	$ -	$ 132,016
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (7,792)	$ (61,381)	$ -	$ (69,173)
Adjustments to reconcile operating (loss) to net cash (used for) operating activities:				
Decrease in receivables	165	-	-	165
Increase (decrease) accounts payable	1,275	(1,478)	-	(203)
Increase in accrued liabilities	472	-	-	472
(Decrease) in noncurrent liabilities	(686)	-	-	(686)
Net cash provided by (used for) operating activities	$ (6,566)	$ (62,859)	$ -	$ (69,425)

BATAVIA DEVELOPMENT CORPORATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2025
(as restated)

	Batavia Development Corporation	Creek Park Batavia LLC	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from governmental agencies	$ 113,300	$ -	$ -	$ 113,300
Payments to service providers and suppliers	(24,564)	(9,736)	-	(34,300)
Payments for employee services	(87,215)	-	-	(87,215)
Receipts from other operating revenues	47,901	-	-	47,901
Net cash provided by (used for) operating activities	49,422	(9,736)	-	39,686
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from (to) other funds	(15,000)	15,000	-	-
Receipt of grants	22,334	-	-	22,334
Receipts of pass-through grants	221,115	-	-	221,115
Payments of pass-through grants	(221,115)	-	-	(221,115)
Net cash provided by (used for) noncapital financing activities	7,334	15,000	-	22,334
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	3,156	-	-	3,156
Net cash provided by investing activities	3,156	-	-	3,156
Net change in cash and cash equivalents	59,912	5,264	-	65,176
Total cash and cash equivalents—beginning	123,726	4,683	-	128,409
Total cash and cash equivalents—ending	$ 183,638	$ 9,947	$ -	$ 193,585
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 5,992	$ (11,889)	$ -	$ (5,897)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Decrease in receivables	37,901	-	-	37,901
(Increase) in prepaid items	2,493	-	-	2,493
(Decrease) increase in accounts payable	(2,761)	2,153	-	(608)
Increase in accrued liabilities	324	-	-	324
Increase in noncurrent liabilities	5,473	-	-	5,473
Net cash provided by (used for) operating activities	$ 49,422	$ (9,736)	$ -	$ 39,686

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INDEPENDENT AUDITORS' 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*

To the Board of Directors
Batavia Development Corporation:

We have audited, in accordance with the 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 consolidated financial statements of the Batavia Development Corporation and its wholly owned subsidiary, Creek Park Batavia LLC (collectively referred to as the "Corporation"), and the related notes to the consolidated financial statements, which collectively comprise the Corporation's consolidated financial statements, and have issued our report thereon dated June 17, 2026 (which includes an emphasis of matter paragraph regarding a restatement of net position).

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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.*

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 entity'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Drescher & Malecki LLP

June 17, 2026