



Audit Committee Meeting

Tuesday, October 21, 2025 – 8:30 am
111 Washington Ave, Suite 100, Albany, NY 12210
Conference Room

AGENDA

- | | |
|--|----------------------|
| 1. Welcome & Roll Call p1-2 | Marcus Pryor, Chair |
| 2. Meeting Minutes Approval – March 20, 2025 p3 | Marcus Pryor, Chair |
| 3. Audit Engagement Presentation p4 | Kevin Testo, Bonadio |
| 4. Adjournment | Marcus Pryor, Chair |



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Conference Room

Roll Call

<u>Board Member</u>	<u>Present / Excused / Absent</u>
Marcus Pryor, Chair	
Alan Alexander, Member	
Allen Maikels, Member	
Diana Ostroff, Member	
Daniel Scarring, Member	
Susan Pedo, Member	

**Audit Committee Meeting Minutes
March 20, 2025**

DIRECTORS PRESENT	Marcus Pryor, Diana Ostroff, Alan Alexander, Caitlin O'Brien, and Susan Pedo
EXCUSED DIRECTORS	Jeffrey Stone, Allen Maikels, Michel McLaughlin, and Daniel Scarring
COUNSEL PRESENT	John Hartzell
AACA STAFF PRESENT	Kevin O'Connor, Amy Thompson, Kevin Catalano, Antionette Hedge, and Sara Paulsen
GUESTS	Kevin Testo, and Samuel Zadrozny

Mr. Pryor called the meeting to order at 8:43 a.m. and then read the roll call and it was determined that there was a quorum.

Presentation of 2024 Audit & PARIS Filings

Kevin Testo and Samuel Zadrozny of The Bonadio Group provided an overview of the 2024 Audit Report and the required NYS Public Authorities Reporting Information System ("PARIS") Filings. All audit procedures were completed and were unmodified and unqualified. Mr. Zadrozny reviewed the auditor's responsibilities regarding the Financial Statements. Mr. Zadrozny was able to confirm 100% of the outstanding loans. Mr. Testo provided the examination procedure and confirmed it as a positive assurance report. Ms. Pedo made a motion to approve the 2024 Audit. Mr. Alexander seconded the motion; all those voting on the motion voted in favor. Ms. Ostroff made a motion to approve the PARIS Filings. Ms. Pedo seconded the motion; all Board members in attendance voted in favor.

There was no Executive Session

Mr. Alexander made a motion to move to adjourn the meeting at 9:02 a.m. and Ms. Ostroff seconded the motion; all members of the Board in attendance voted in favor.

Respectfully submitted,



Diana Ostroff, Secretary



Bonadio & Co., LLP

Accounting, Consulting & More

Albany County Business Development Corp.

**Audit Planning Communication
2025 Audit Plan**

October 21, 2025

.....
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.....

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October 21, 2025

Dear Members of the Board of Directors of Albany County Business Development Corporation:

We are pleased to present our 2025 Audit Plan for the financial statements of Albany County Business Development Corporation (the "Organization"). The information included in this report allows you to understand the judgments we have made in planning and scoping our audit procedures.

This report was prepared based on information obtained from meetings with management, knowledge of the Organization, consideration of the business environment and risk assessment procedures. Our audit approach will remain flexible and responsive to the Organization's environment. Any significant changes to our audit plan will be discussed with the Board of Directors at a future meeting.

Discussion of our audit plan ensures our Bonadio engagement team members understand your concerns and together we agree on mutual needs and expectations, which enables us to provide the highest level of service and audit quality. We value and encourage your observations and your input.

We look forward to addressing your questions and discussing any other matters of interest. Please feel free to call me at (518) 250-7708.

Very truly yours,

Kevin Testo, CPA
Engagement Partner

A background image showing a person in profile, wearing a striped shirt, working at a desk. They are using a laptop and have a pen in their hand. A desk lamp is visible above them. The image is overlaid with a blue gradient and a vertical orange line.

01

Executive Summary

Executive Summary

Audit Planning Considerations

Challenges and Risks of Non-Profits

- Inflation and interest rates
- Workforce recruitment, retention, and training challenges
- Continued scrutiny related to regulatory and IT compliance
- Uncertain economic conditions

Current Year Activity

- Loan portfolio continues to grow (\$10.7M as of 9/30/25)
- Market continues to show gains
- Loan interest earned expected to increase compared to prior year

The Audit Highlights

- We affirm our independence with Albany County Business Development Corporation.
- No new accounting standards in 2025 that will impact the Organizations.

The background of the slide features a person in profile, wearing a white shirt, sitting at a desk. They are looking down at a laptop. A desk lamp is positioned above them, casting light. The image is overlaid with a semi-transparent blue filter. A vertical orange line is on the left side of the slide.

02

Audit Approach

Audit Approach

Our Primary Objectives are to:

- Perform an audit in accordance with Generally Accepted Auditing Standards (GAAS) to obtain reasonable assurance the Organization's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are free from material misstatement whether caused by error or fraud.
- Render an opinion on the financial statements of Albany County Business Development as of December 31, 2025, and for the year ending.
- Our audit does not relieve management of its responsibilities regarding governance and oversight.
- An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.

Our Audit Deliverables

- Audit report on Albany County Business Development Corporation's December 31, 2025 financial statements
- Examination report related to investment guidelines for the year ending December 31, 2025
- Preparation of IRS Form 990

Audit Approach

Risk Assessment Process and Results

Approach and Definitions

Our audit approach is based on the following principles:

- The use of a top-down, risk-based approach
- The application of well-reasoned professional judgment
- These principles, with the application of materiality, allow us to develop and execute our audit approach in an effective and efficient manner. The results of our risk assessment include the identification of audit risks and also drives the identification of significant accounts. We evaluate audit risks as defined below.

Fraud risk – requires special audit consideration in terms of the nature, timing or extent of testing due to the consideration of incentives, pressures and opportunities to commit fraud, likely magnitude of potential misstatements and/or the likelihood of the risk occurring.

Significant risk – requires special audit consideration in terms of the nature, timing or extent of testing due to the risk's nature, likely magnitude of potential misstatement and/or likelihood of that risk occurring - including the possibility that the risk may give rise to multiple misstatements.

Normal risk – relates to the relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgment. Although a risk of material misstatement exists, there are no special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Audit Approach

Risk Assessment Process and Results

Fraud and Significant Risks

We have outlined below the fraud and significant risks identified based on our preliminary risk assessment process, together with our planned audit response.

Risk Description	Planned Audit Response
Fraud – Risk of management override of controls, including accounting for significant unusual transactions, particularly sensitive accounting estimates, and manual journal entries	<ul style="list-style-type: none">• Test journal entries focusing on certain characteristics that may indicate a risk of fraud• Test underlying assumptions used in any sensitive accounting estimates• Review financial statements for inaccurate or omitted disclosures• Make inquiry of key members of management
Revenue recognition – A significant risk of fraud in revenue recognition exists	<ul style="list-style-type: none">• Assess relevant revenue controls for design effectiveness and implementation• Test manual journal entries focusing on unusual entries that impact revenue• Test material revenue transactions

Audit Approach

Client Service Team



Kenneth McGivney
Engagement Partner
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(518) 250-7708



Samuel Zadrozny
Manager
szadrozny@bonadio.com
(518) 250-7725

Audit Approach

Timeline and Communication Plan

The table below outlines our expected timing of communications and planned audit procedures. In addition, we may communicate with you more frequently, if and when significant matters arise.



Audit Approach

Other Required Communications

Fraud

We are required to make certain inquiries of the Board of Directors related to fraud risks. In addition, as part of our overall response to fraud risk, we incorporate unpredictability into our audit by modifying the nature, timing and extent of our procedures.

Fraud is a broad legal concept, and auditors do not make legal determinations of whether fraud has occurred. Rather, the auditor's interest specifically relates to acts that result in a material misstatement of the financial statements. The primary factor that distinguishes fraud from error is whether the underlying action that results in the misstatement of the financial statements is intentional. The following two types of misstatements are relevant to the auditor's consideration of fraud:

Misstatements arising from fraudulent financial reporting are intentional misstatements or omissions of amounts or disclosures in financial statements designed to deceive financial statement users when the effect causes the financial statements not to be presented in all material respects, in conformity with generally accepted accounting principles (GAAP).

Misstatements arising from misappropriation of assets involve the theft of an entity's assets when the effect of the theft causes the financial statements not to be presented, in all material respects, in conformity with GAAP.

Fraud Items For Discussion:

- Programs and controls in place to mitigate the risk of fraud and error
- Specific concerns about the risk of fraud or error
- Any actual, alleged or suspected fraud
- Violations or possible violations of law
- Other matters relevant to the audit

Audit Approach

Other Required Communications

Independence

There are no relationships or other matters identified that might reasonably be thought to bear on independence.

Non-compliance with laws and regulations and illegal acts

We have not identified any instances of non-compliance with laws and regulations. We have not identified any potential illegal acts.

Significant issues discussed with management prior to appointment or retention

There are no significant issues discussed with management in connection with the retention of Bonadio.

Obtain information relevant to the audit

We will inquire of the Board of Directors about whether it is aware of matters relevant to the audit and about the risks of material misstatement.

A person is working at a desk in a dimly lit room. A desk lamp is turned on, casting a warm glow. The person is looking down at a laptop screen. On the desk, there is a laptop, a smartphone, and some papers. The background is slightly blurred, showing a window and some office equipment.

03

Appendices

Subsidiaries and Affiliates

We are proud to partner with some of the best in the industry.



Athena offers sales and lead generation management services to help our clients promote and sell their products and services to a variety of market segments and industry applications.

Healthcare business practice innovation and outsourcing



Beacon Solutions Group helps providers navigate the complex currents of the evolving health care industry. Their unique integration of clinical, operational, and financial expertise is geared to identify meaningful business opportunities and detect the root causes of problems.



FoxPointe Solutions is dedicated to helping protect your data and assets, while achieving industry standards and regulatory compliance in the ever-changing cyber security landscape.



High Probability Advisors implements factor-based investing based on advanced analytics and academic research, designed to optimize performance, minimize costs, and minimize downside.



A division of The Bonadio Group, MS Consultants is a full-service consulting company for all issues related to real estate income taxation. From cost segregation studies to energy consulting, they have the experience and expertise on all applicable tax and real estate issues.



Probity Tax Recovery is a tax consulting firm specializing in tax credits and incentives for small to mid-sized businesses. We work with business owners and their CPAs to identify tax credits and incentives while saving you time and money. You get the tax benefit you're entitled to while keeping your time where it matters, running your business.



ProNexus is a national professional services firm that delivers finance, accounting, and IT business solutions and consulting services. They leverage the skills of highly experienced financial and technology experts to address our clients' needs through a mix of engagement models.



TBG Commercial Capital Partners works to meet the financing needs of developers, property owners, business owners and entrepreneurs, and their need to secure capital.



Since 1987, TAS has conducted a wide range of transportation studies for school districts, agencies, universities, and associations making them the Nation's largest dedicated student transportation consulting firm.

Bonadio & Co., LLP

Accounting, Consulting & More

October 17, 2025

Albany County Business Development Corporation
Attn: Kevin Catalano, Sr. VP & Director of Commercial Lending
112 State Street, Room 1200
Albany, NY 12207

Dear Kevin:

We are pleased to confirm our understanding of the services we are to provide for Albany County Business Development Corporation for the year ended December 31, 2025.

Audit Scope and Objectives

We will audit the financial statements of Albany County Business Development Corporation (the "Organization" or "you" or "your"), which comprise the statements of financial position as of December 31, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the "financial statements").

The objectives of our audit 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 issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

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Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Risk of management override of controls
2. Fraudulent revenue recognition

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization 's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the Organization, with the oversight of those charged with governance, to ensure that the Organization's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provision of laws and regulations that determine the reported amounts and disclosures in the Organization's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, include, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

We may, from time to time and depending on the circumstances, use third-party service providers (including those located outside the United States) in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to our Firm, will not be included in any such offering document without our prior written consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

With regard to using the auditor's report, you understand you must obtain our prior written consent to reproduce our report in bond offerings, official statements, or other documents, if required under the bond requirements.

Other Services

We will prepare the Organization's federal information return for the year ended December 31, 2025, for the federal jurisdiction, as outlined in our separate engagement letter based on information provided by you.

We will also assist in preparing the financial statements of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to them by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Bonadio & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Bonadio & Co., LLP does not host any of the Organization's information. Our file share sites (i.e., myPortal/SharePoint) is used solely as a method of transferring data and is not intended to store the Organization's information. The Organization is solely responsible for downloading any deliverables and other records that the Organization wishes to retain for its own records at the completion of the engagement. The data and deliverables and other records will either be removed from our file share sites or otherwise become unavailable to the Organization at any time after issuance of the financial statements.

Kevin C. Testo is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. To ensure that Bonadio & Co. LLP's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

We estimate that our fees for the audit to be \$21,000 and \$2,000 for the preparation of the information returns. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within 45 days from the invoice date will be subject to a late payment charge of 1.5% per month. We reserve the right to suspend all work if an account becomes one hundred and twenty or more days past due. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all the time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

All services will be rendered by and under the supervision of qualified staff in accordance with AICPA standards and the terms and conditions set forth in this letter. We make no other representation or warranty regarding either the services to be provided or any Deliverables; in particular, and without limitation of the foregoing, any express or implied warranties of fitness for a particular purpose, merchantability, warranties arising by custom or usage in the profession, and warranties arising by operation of law are expressly disclaimed.

In no event, unless it has been finally determined by a court of competent jurisdiction that we were grossly negligent or acted willfully or fraudulently, shall we be liable to you or any of your officers, directors, employees or shareholders or to any other third party, whether a claim be in tort, contract or otherwise for any amount in excess of the total professional fee paid by you to us under this agreement for the particular service to which such claim relates. In no event shall we be liable for any special, consequential, indirect, exemplary, punitive, lost profits or similar damages, even if we have been apprised of the possibility thereof.

Neither party shall be liable to the other for any delay or failure to perform any of the services nor obligations set forth in this letter due to causes beyond its reasonable control. All terms and conditions of this letter that are intended by their nature to survive termination of this letter shall survive termination and remain in full force, including but not limited to the terms and conditions concerning payments, warranties, limitations of liability, indemnities, and resolution of differences. If any provision of this letter is determined to be invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

You agree to indemnify and hold harmless us and our affiliates, officers, directors, employees, and agents from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or related to any third-party claims, demands, lawsuits, or proceedings arising out of or related to or in connection with the services under this Agreement, except to the extent finally determined by a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct, or fraudulent behavior of us relating to such services.

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court of competent jurisdiction located in Monroe County, State of New York for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation, which, if initiated, shall be done so in a court of competent jurisdiction located in Monroe County, State of New York. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

In the unlikely event that differences concerning this engagement or our services provided hereunder should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, we both agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to this engagement. This engagement will be governed by the laws of the State of New York.

We have the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete the work described in this letter and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors and Management of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

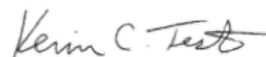
Electronic Communications

In performing services under this Agreement, Bonadio & Co., LLP and/or the Organization may wish to communicate electronically either via facsimile, electronic mail, cloud-based portal or similar methods (collectively, "Electronic Means"). However, the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Unless you notify us otherwise, we shall regard your acceptance of this Agreement as your consent to use Electronic Means. It is therefore your responsibility to notify Bonadio & Co., LLP when/if your employee(s) no longer require access to Electronic Means that are controlled by Bonadio & Co., LLP. Such notice may be sent by email to the partner responsible for this engagement at the address noted in the signature section of this Agreement. All risks related to your business, including access connected with the use of Electronic Means by you or your employees are borne by you and are not our responsibility.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

BONADIO & CO., LLP



By:

Kevin C. Testo, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of Albany County Business Development Corporation:

Management signature: _____

Title: _____

Date: _____

October 17, 2025

Albany County Business Development Corporation
Attn: Kevin Catalano, Sr. VP & Director of Commercial Lending
112 State Street, Room 1200
Albany, NY 12207

Dear Kevin:

This letter is to confirm and specify the terms of our engagement with Albany County Business Development Corporation for the year ended December 31, 2025 and to clarify the nature and extent of the tax services we will provide.

Entire Agreement

This engagement letter ("Agreement") constitutes the entire agreement between the client to whom such engagement letter is addressed and any other legal entities referred to therein ("Client" or "you") and Bonadio & Co., LLP, a New York limited liability partnership ("Bonadio & Co., LLP" "we" or "us"), regarding the services described in the engagement letter.

Responsibilities of Bonadio & Co., LLP

Our engagement is limited to performing the following services:

a. Tax Return Services

Tax return services include the preparation of the federal information return listed on Exhibit A, attached hereto and made a part hereof.

We will perform our services utilizing the information you have provided and in consideration of the applicable federal, foreign, state or local tax laws, regulations and associated interpretations relative to the appropriate jurisdiction as of the date the services are provided. Tax laws and regulations are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. We do not assume responsibility for such changes occurring after the date we have completed our services.

This Agreement does not cover the preparation of any tax returns not listed on Exhibit A attached hereto and made a part hereof or financial statements, which, if we are to provide, will be subject to the terms of a separate engagement letter.

Responsibilities of the Client

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

6 Wembley Court
Albany, NY 12205
p (518) 464-4080
f (518) 464-4087

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You are responsible for assuming all management responsibilities, and for overseeing any services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

Electronic Communications

In performing services under this Agreement, Bonadio & Co., LLP and/or Client may wish to communicate electronically either via facsimile, electronic mail or similar methods (collectively, "E-mail"). However, the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Unless you notify us otherwise, we shall regard your acceptance of this Agreement as including your consent to use E-mail. All risks related to your business and connected with the use of E-mail are borne by you and are not our responsibility.

Electronic Filing

Your return may be electronically filed with the IRS and states requiring electronic filing. We will provide you with a copy of your final returns for review prior to electronic transmission. The IRS requires that you sign an e-file authorization form indicating that you have reviewed the return, it is correct to the best of your knowledge, and you authorize us to submit it electronically. We cannot transmit any return until we have the appropriate signed authorizations.

Foreign Asset Responsibilities

Certain entities may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of the Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties.

We are able to assist you in the preparation of these foreign account filings if you request. If you would like us to prepare these filings, or if you have questions concerning your filing obligations, you should contact us as soon as possible and provide us with all requested information.

Disclosure

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement.

Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent, unless mandated by judicial or lawful order.

Recordkeeping

It is our policy to keep records for seven years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. A copy of your return should be kept indefinitely.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you under the terms of a separate engagement letter.

Federal and State Law Changes

With many significant changes in the federal and state tax law, we may be requesting additional information from you regarding specific provisions which may apply to you. It is critical that you provide complete, accurate, and timely responses to these information requests, so that we may assess the provisions that apply to you and prepare required calculations and disclosures with your returns. The provisions will impact each taxpayer differently, and therefore it is possible that the time needed to prepare your return(s) and associated fees may increase as compared to the prior year.

Fees

Our fees for tax services will be based in part upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus out-of-pocket expenses. All invoices are due and payable upon presentation. Amounts not paid within 45 days from the invoice date will be subject to a late payment charge of 1.5% per month.

Our fee estimate for the tax return preparation services listed are outlined in Exhibit A.

Fees for additional tax services that fall outside the scope of this tax compliance engagement are based upon our standard billing rates for the personnel working on the engagement. Billing rates vary depending on the experience level of the staff member providing the services.

Limitation of Liability

All services will be rendered by and under the supervision of qualified staff in accordance with AICPA standards and the terms and conditions set forth in this letter. Bonadio & Co., LLP makes no other representation or warranty regarding either the services to be provided or any Deliverables; in particular, and without limitation of the foregoing, any express or implied warranties of fitness for a particular purpose, merchantability, warranties arising by custom or usage in the profession, and warranties arising by operation of law are expressly disclaimed.

In no event, unless it has been finally determined that Bonadio & Co., LLP was grossly negligent or acted willfully or fraudulently, shall Bonadio & Co., LLP be liable to the Client or any of its officers, directors, employees or shareholders or to any other third party, whether a claim be in tort, contract or otherwise for any amount in excess of the total professional fee paid by you to us under this agreement for the particular service to which such claim relates. In no event shall Bonadio & Co., LLP be liable for any special, consequential, indirect, exemplary, punitive, lost profits or similar damages, even if we have been apprised of the possibility thereof.

Neither party shall be liable to the other for any delay or failure to perform any of the services nor obligations set forth in this letter due to causes beyond its reasonable control. All terms and conditions of this letter that are intended by their nature to survive termination of this letter shall survive termination and remain in full force, including but not limited to the terms and conditions concerning payments, warranties, limitations of liability, indemnities, and resolution of differences. If any provision of this letter is determined to be invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

Confidential Information

All information shall be provided to Bonadio by you. Any information that has been provided orally or in writing by you on behalf of you or any of your employees or clients to Bonadio pursuant to this engagement or through any other type of contact, including information generated as a result of Bonadio's services thereunder ("Confidential Information"), shall be treated by Bonadio as proprietary information belonging to you, and shall be held in strict confidence by Bonadio both during and after the term of this engagement and thereafter. All financial data pertaining to you, your clients or Bonadio's services hereunder, and all data, information, and records of or pertaining to you, your employees, and your clients, shall be deemed to be Confidential Information.

With respect to all Confidential Information, Bonadio shall: (1) not provide or make available the Confidential Information in any form to any person other than Bonadio's or your employees, contractors, agents, and other personnel who have a need to know consistent with the authorized use of such Confidential Information; (2) not reproduce the Confidential Information except for use reasonably necessary to the performance of this agreement; (3) not exploit or use the Confidential Information except as permitted by this agreement; and (4) return or destroy all Confidential Information that is written or in graphic form, and any copies thereof, upon your request or upon the termination of this agreement, however we may keep archival copies of such Confidential Information if reasonably needed to comply with our professional standards, subject to the remaining terms of this paragraph.

In the event that a subpoena or other legal process in any way concerning the Confidential Information is served on Bonadio, we shall notify you immediately upon receipt thereof and shall reasonably cooperate with you and your legal counsel prior to the production of such Confidential Information as required by such subpoena or legal process. Any legal process to assert that any and all such information is exempt from disclosure as subject to attorney-client privilege would be the responsibility of your legal counsel.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account (including vendors located outside of the United States). We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Indemnification

You agree to indemnify and hold harmless Bonadio and our personnel from any and all Third-Party claims, liabilities, costs, and expenses, including reasonable attorney fees, arising from or relating to the services under this Agreement, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Bonadio relating to such services.

You expressly understand and agree that you are solely responsible for the accuracy and completeness of any information or content you may place on our file site (i.e. myPortal/SharePoint) and that we are relying on the content provided by you as the basis for any services we may provide hereunder. By placing your information and content on our file sharing site, you consent to its use by us and further understand and agree that we are not responsible for any: (i) damage to nor theft of, or (ii) any misuse or misappropriation of, such information or content. You are responsible for granting, denying, and removing access to our file sharing site.

Dispute Resolution

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Monroe, New York and any ensuing litigation shall be conducted within said county, according to New York law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

In the unlikely event that differences concerning this Agreement or our services provided hereunder should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, Bonadio & Co., LLP and the Client agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

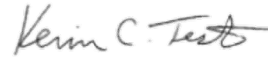
We have the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If this Agreement accurately describes your understanding of our engagements, please sign below and return one copy to our office. We will require a signed copy of this Agreement back from you before we provide you with your income tax returns or financial statements. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

BONADIO & CO., LLP



By:
Kevin C. Testo, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of Albany County Business Development Corporation:

Management signature: _____

Title: _____

Date: _____

Exhibit A
List of Tax Returns to be Prepared

Entity	Year-end	Forms	Fee
Albany County Business Development Corporation	December 31, 2025	IRS Form 990, <i>Return of Organization Exempt From Income Tax</i>	\$2,000

October 17, 2025

Albany County Business Development Corporation
Attn: Kevin Catalano, Sr. VP & Director of Commercial Lending
112 State Street, Room 1200
Albany, NY 12207

Dear Kevin:

We are pleased to confirm our understanding of the services we are to provide for Albany County Business Development Corporation (the Corporation).

We will examine the Corporation's compliance with its own investment policies and applicable laws and regulations related to investments for the year ended December 31, 2025. The objectives of our examination are to (1) obtain reasonable assurance about whether the Corporation's investments are in compliance with its own investment policies and applicable laws and regulations related to investments; and (2) to express an opinion as to whether the Corporation's investments are in compliance, in all material respects, with its own policies and applicable laws and regulations related to investments.

Our examination will be conducted in accordance with attestation standards established by the AICPA. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the Board Members of the Corporation. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We will plan and perform the examination to obtain reasonable assurance about whether the Corporation's investments are in compliance with the specified requirements. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

6 Wembley Court
Albany, NY 12205
p (518) 464-4080
f (518) 464-4087

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We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of the Corporation's investments in accordance with the Corporation's own policies and applicable laws and regulations related to investments; and for selecting the criteria and determining that such criteria are suitable, will be available to intended users, and are appropriate for the purpose of the engagement. You are responsible for, and agree to provide us with, a written assertion about whether the Corporation's investments are presented in accordance with its own policies and applicable laws and regulations. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

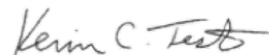
Kevin Testo, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will range from \$1,500 to \$2,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of continued service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

BONADIO & CO., LLP



by:
Kevin C. Testo, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of Albany County Business Development Corporation:

Management signature: _____

Title: _____

Date: _____