

To the Board of Directors
Griffiss Local Development Corporation

We have audited the consolidated financial statements of Griffiss Local Development Corporation and subsidiaries, Cardinal Griffiss Realty, LLC, and 99 Otis Street, LLC, for the year ended December 31, 2022, and we will issue our report thereon dated March 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 7, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Griffiss Local Development Corporation and Subsidiaries are described in Note 1 to the consolidated financial statements. As described in Note 1 to the consolidated financial statements, the Organization changed accounting policies related to leasing activities by adopting ASU No. 2016-02, *Leases (Topic 842)*, in 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the consolidated financial statements is management's estimate of the depreciation and amortization lives and methods. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the consolidated financial statements are the disclosures related to revenue recognition in Note 1 to the consolidated financial statements.

The consolidated financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by Management were material either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 30, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

This information is intended solely for the use of Board of Directors and management of Griffiss Local Development Corporation and subsidiaries and is not intended to be, and should not be, used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

March 30, 2023

Rome, New York

Client: **37270 - Griffiss Local Development Corporation**
Engagemen **2022 FS - GLDC**
Period Endii **12/31/2022**
Trial Balanc **CGR TB**
Workpaper: **3200.00 - CGR Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
		7150.30		
To adjust lease revenue to straight line to comply with ASC 842.				
15-13000	Lease Receivable		106,415.00	
15-43000	Lease Revenue Buildings		27,760.00	
15-33000	Prior Period Adjustment			134,175.00
Total			134,175.00	134,175.00

Client: **37270 - Griffiss Local Development Corporation**
Engagement: **2022 FS - GLDC**
Period Ending: **12/31/2022**
Trial Balance: **CGR TB**
Workpaper: **3200.05 - CGR Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101		5100.21		
To reclass related party expenses				
15-20020	Accounts Payable		41,687.00	
15-20075	Due To GLDC			27,000.00
15-20076	Due to GUSC			14,687.00
Total			41,687.00	41,687.00
Reclassifying Journal Entries JE # 102		3630.00		
Client entry to capitalize costs for gas conversion project.				
15-14185	Capitalized Costs - Gas Conversion Project		12,500.00	
15-79990	Capitalized Expenditures			12,500.00
Total			12,500.00	12,500.00
Reclassifying Journal Entries JE # 103				
To reclass 79990 account for FS.				
15-79990	Capitalized Expenditures		12,500.00	
15-60144	Contracted Services Other			12,500.00
Total			12,500.00	12,500.00

Client: **37270 - Griffiss Local Development Corporation**
Engagement: **2022 FS - GLDC**
Period Ending: **12/31/2022**
Trial Balance: **GLDC TB**
Workpaper: **3200.10 - GLDC Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		4700.50		
To record principal payment as revenue and amortize out the Ogill loan.				
13200	Loan Receivable Orgill Inc		15,006.00	
7000202	Amortization Orgill Loan Receivable		20,278.00	
13200A	Loan Receivable Accum Amort			20,278.00
43202	Orgill TIF PILOT Revenue			15,006.00
Total			35,284.00	35,284.00
Adjusting Journal Entries JE # 2		4200.35		
To accrue grant revenue and expenses for ESDC project#132,478				
11201	Grants Receivable- Accrued		1,250,000.00	
60210	Grants		1,250,000.00	
20021	Accrued Expenses			1,250,000.00
40425	ESDC - Bldg 240 Grant			1,250,000.00
Total			2,500,000.00	2,500,000.00
Adjusting Journal Entries JE # 3		7150.30		
To adjust GLDC leases to straight line to comply with ASC 842.				
13000	Lease Receivable		56,726.00	
43000	Lease Payments		5,550.00	
30001	Fund Balance - Prior Period Adjustment			62,276.00
Total			62,276.00	62,276.00

Client: **37270 - Griffiss Local Development Corporation**
Engagement: **2022 FS - GLDC**
Period Ending: **12/31/2022**
Trial Balance: **GLDC TB**
Workpaper: **3200.15 - GLDC Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101				
To reclass 79990 account.				
79990	Capitalized Expenditures		185,653.00	
60100	Consultant Services			66,000.00
60140	Contracted Services - LEGAL			54,501.00
60200	Equipment Repair & Maintenance			7,114.00
60205	Furniture/Fixture/Eqpt. -GLDC			8,100.00
60205	Furniture/Fixture/Eqpt. -GLDC			49,938.00
Total			185,653.00	185,653.00
Reclassifying Journal Entries JE # 102				
To reclass related party expenses				
		5100.20		
20020	Accounts Payable - GF		44,926.00	
20083	Due to GUSC			44,926.00
Total			44,926.00	44,926.00
Reclassifying Journal Entries JE # 103				
To reclass January 2023 prepaid expenses				
		5100.20		
11900	Prepaid Expenses		36,833.00	
20020	Accounts Payable - GF			36,833.00
Total			36,833.00	36,833.00
Reclassifying Journal Entries JE # 104				
To reclass deferred revenue recorded in AR				
		4200.30		
11001	Accounts Receivable - General		90,280.00	
20050	Deferred Revenue			90,280.00
Total			90,280.00	90,280.00
Reclassifying Journal Entries JE # 105				
To reclass related party receivables				
		4200.30		
11056	Due From GUSC		53,635.00	
11060	Due from Cardinal Griffissi Realty		27,000.00	
11065	Due from 99 Otis St.		6,751.00	
11001	Accounts Receivable - General			87,386.00
Total			87,386.00	87,386.00
Reclassifying Journal Entries JE # 106				
Client entry to move Orgill entry to correct accounts.				
		3530.00		
43202	Orgill TIF PILOT Revenue		17,188.00	
43202A	Orgill TIF PILOT Revenue Interest		156,871.00	
22109	GLDC Project Related Debt Service Fund- Orgill			17,188.00
43202	Orgill TIF PILOT Revenue			156,871.00
Total			174,059.00	174,059.00

Client: **37270 - Griffiss Local Development Corporation**
Engagement: **2022 FS - GLDC**
Period Ending: **12/31/2022**
Trial Balance: **GLDC TB**
Workpaper: **3200.15 - GLDC Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 107		3530.05		
Client entry to add addl dental, vision and misc costs.				
50028	Employee Dental Insurance		1,818.00	
50029	Employee Vision Insurance		160.00	
60040	Misc Verizon		1.00	
20020	Accounts Payable - GF			1,979.00
Total			1,979.00	1,979.00
Reclassifying Journal Entries JE # 108				
Client entry to fix railroad imp escrow.				
11000E	Accounts Rec- ECOO TIF		6,000.00	
69305A	Railroad Imp Escrow for Sovena			6,000.00
Total			6,000.00	6,000.00

Client: 37270 - Griffiss Local Development Corporation
Engagement: 2022 FS - GLDC
Period Ending: 12/31/2022
Trial Balance: 99 OTIS ST TB
Workpaper: 3200.20 - 99 Otis Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To close prior year retained earnings to participant accounts.				
99-30000	GLDC Capital		11,378.00	
99-30100	NYSTEC Capital		9,308.00	
99-31000	Retained Earnings			20,686.00
Total			20,686.00	20,686.00
Adjusting Journal Entries JE # 2				
		5300.05		
To adjust CY amortization of closing costs based on 15 years instead of 10 years.				
99-20121	M&T Construction Loan 2 Closing Costs		373.00	
99-70180	Amortization Expense- M&T Loan 2			373.00
Total			373.00	373.00
Adjusting Journal Entries JE # 3				
		7150.40		
To adjust lease accounting for ASC 842 compliance.				
99-13000	Lease Receivable		41,605.00	
99-33000	Prior Period Adjustment			31,074.00
99-40001	Lease Payment BAH			10,531.00
Total			41,605.00	41,605.00
Adjusting Journal Entries JE # 4				
		7150.40		
To adjust lease accounting for NYSTEC to comply with ASC 842				
99-13000	Lease Receivable		122,969.00	
99-33000	Prior Period Adjustment			85,132.00
99-40000	Lease Payments- NYSTEC			37,837.00
Total			122,969.00	122,969.00
Total Adjusting Journal Entries			185,633.00	185,633.00
Total All Journal Entries			185,633.00	185,633.00

Client: 37270 - Griffiss Local Development Corporation
Engagement: 2022 FS - GLDC
Period Ending: 12/31/2022
Trial Balance: 99 OTIS ST TB
Workpaper: 3200.25 - 99 Otis Reclassifying Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
---------	-------------	---------	-------	--------

Reclassifying Journal Entries

Reclassifying Journal Entries JE # 102

5100.22

To reclass related party expenses

99-20020	Accounts Payable		9,428.00	
99-20050	Due to GLDC			2,795.00
99-20083	Due to GUSC			6,633.00
Total			9,428.00	9,428.00

Reclassifying Journal Entries JE # 103

4200.20

To reclass revenue to deferred revenue

99-11000	Accounts Receivable		52,757.00	
99-20045	Deferred Revenue			52,757.00
Total			52,757.00	52,757.00

Total Reclassifying Journal Entries

Total All Journal Entries

62,185.00	62,185.00
62,185.00	62,185.00