

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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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, 2025, and have issued our report thereon dated March 26, 2026. 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 14, 2025. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2025. 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.

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 26, 2026.

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 26, 2026

Rome, New York

Client: **37270 - Griffiss Local Development Corporation**
 Engagemen **2025 FS - GLDC**
 Period End: **12/31/2025**
 Trial Balanc **CGR TB**
 Workpaper: **3200.00 - CGR Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To reclass assets held for sale.				
15-14500	A/D Buildings		3,148,753.00	
15-14550	A/D Building Improvements		220,812.00	
15-14570	A/D Signage		6,985.00	
15-14580	A/D Land Improvements-General		2,868.00	
15-14590	A/D Office Furniture, Fixtures, Equipment		65,977.00	
15-15100	Assets Held for Sale		4,190,229.00	
15-80000	Loss on Impairment		2,837,927.00	
15-14200	Land			562,500.00
15-14203	Land Improvements-General			8,926.00
15-14250	Building			8,676,775.00
15-14260	Building Improvements			1,087,538.00
15-14270	Signage			7,396.00
15-14290	Office Furniture, Fixtures, Equipment			130,416.00
Total			10,473,551.00	10,473,551.00

Client: 37270 - Griffiss Local Development Corporation
 Engagement: 2025 FS - GLDC
 Period Ending: 12/31/2025
 Trial Balance: CGR TB
 Workpaper: 3200.05 - CGR - Reclassifying Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
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Reclassifying Journal Entries
Reclassifying Journal Entries JE # 101
 To reclass related party expenses

5100.10

15-20020	Accounts Payable		34,379.00	
15-20075	Due To GLDC			34,379.00
Total			<u>34,379.00</u>	<u>34,379.00</u>
	Total Reclassifying Journal Entries		<u>34,379.00</u>	<u>34,379.00</u>
	Total All Journal Entries		<u>34,379.00</u>	<u>34,379.00</u>

Client: 37270 - Griffiss Local Development Corporation
 Engagement: 2025 FS - GLDC
 Period Ending: 12/31/2025
 Trial Balance: GLDC TB
 Workpaper: 3200.10 - GLDC - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		4700.50		
To record CY amortization for Orgill project loan receivable				
700021	Amortization Orgill Loan Receivable		243,333.00	
13200A	Loan Receivable A/D			243,333.00
Total			243,333.00	243,333.00
Adjusting Journal Entries JE # 2				
Adjusting Journal Entries JE # 2		4100.10		
To record interest to M&T CD				
10242A	Cash-GLDC NBT CD		6,984.42	
41020	Interest Income-Banks			6,984.42
Total			6,984.42	6,984.42
Adjusting Journal Entries JE # 3				
Adjusting Journal Entries JE # 3		4100.10		
To record interest income at maturity for NBT CD.				
10242A	Cash-GLDC NBT CD		2,854.00	
41020	Interest Income-Banks			2,854.00
Total			2,854.00	2,854.00
	Total Adjusting Journal Entries		253,171.42	253,171.42
	Total All Journal Entries		253,171.42	253,171.42

Client: **37270 - Griffiss Local Development Corporation**
Engagement: **2025 FS - GLDC**
Period Ending: **12/31/2025**
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 reclassify capitalized expenditures for financial statements.				
79990	Capitalized Expenditures		796,797.00	
60100	Consultant Services			15,250.00
60125	Contracted Service - General Construction			696,428.00
60140	Contracted Services - LEGAL			7,085.00
60150	Contracted Services - OTHER			17,254.00
60200	Equipment Repair & Maintenance			8,965.00
60202	Facility Maintenance			23,648.00
60205	Furniture/Fixture/Eqpt. -GLDC			28,167.00
Total			<u>796,797.00</u>	<u>796,797.00</u>
Reclassifying Journal Entries JE # 102				
		4200.30		
to reclass related party receivables				
11056	Due From GUSC		51,430.00	
11060	Due from Cardinal Griffissi Realty		34,379.00	
11065	Due from 99 Otis St.		8,656.00	
11001	Accounts Receivable - General			94,465.00
Total			<u>94,465.00</u>	<u>94,465.00</u>
Reclassifying Journal Entries JE # 103				
		4200.30		
To reclass deferred revenue recorded in AR				
11001	Accounts Receivable - General		30,832.00	
20050	Deferred Revenue			30,832.00
Total			<u>30,832.00</u>	<u>30,832.00</u>
Reclassifying Journal Entries JE # 104				
		5200.08		
To reclass related party expenses				
20020	Accounts Payable - GF		11,807.00	
20083	Due to GUSC			11,807.00
Total			<u>11,807.00</u>	<u>11,807.00</u>
Reclassifying Journal Entries JE # 105				
		3530.00		
Client entry#042 to fix due from EDGE account.				
40201	Reimbursement B780		2,029.00	
43050	Lease -Common Area Maintenance		163.00	
50028	Employee Dental Insurance		153.00	
50029	Employee Vision Insurance		19.00	
60247	Insurance-Auto		115.00	
60440	Telephone		78.00	
20078	Due To EDGE			365.00
20078	Due To EDGE			2,192.00
Total			<u>2,557.00</u>	<u>2,557.00</u>

Client: **37270 - Griffiss Local Development Corporation**
Engagement: **2025 FS - GLDC**
Period Ending: **12/31/2025**
Trial Balance: **GLDC TB**
Workpaper: **3200.15 - GLDC Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 106		3530.05		
Client entry for AP invoice Elan Cardmember Service covering Nov/Dec.				
60030	Automobile Expense		903.00	
60075	Business Expense		68.00	
60200	Equipment Repair & Maintenance		12.00	
60202	Facility Maintenance		1,273.00	
20020	Accounts Payable - GF			2,256.00
Total			<u>2,256.00</u>	<u>2,256.00</u>
Reclassifying Journal Entries JE # 107		3530.10		
Client AP invoice#25-1231 for application 8 for Ontario HVAC.				
14270	Building Improvements		222,640.00	
20020	Accounts Payable - GF			222,640.00
Total			<u>222,640.00</u>	<u>222,640.00</u>
Reclassifying Journal Entries JE # 108		3530.15		
Client entry#043 to accrue grant revenue related to RJE107.				
11001A	Due From Other		222,640.00	
40450	EDA-Gas Conversion Award 01-79-15227			178,112.00
40455	ESD- Military Base Ret. Grant 135,262			44,528.00
Total			<u>222,640.00</u>	<u>222,640.00</u>
Reclassifying Journal Entries JE # 109		3530.20		
Client entries 044 and 045 to update retainage related to invoice at RJE 107.				
11001A	Due From Other		2,249.00	
14270	Building Improvements		2,249.00	
20021	Accrued Expenses			2,249.00
40450	EDA-Gas Conversion Award 01-79-15227			1,799.00
40455	ESD- Military Base Ret. Grant 135,262			450.00
Total			<u>4,498.00</u>	<u>4,498.00</u>

Client: 37270 - Griffiss Local Development Corporation
 Engagement: 2025 FS - GLDC
 Period Ending: 12/31/2025
 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 # 101		4200.40		
To reclass deferred revenue recorded in AR				
99-11000	Accounts Receivable		30,350.00	
99-20045	Deferred Revenue			30,350.00
Total			<u><u>30,350.00</u></u>	<u><u>30,350.00</u></u>
Reclassifying Journal Entries JE # 102				
Reclassifying Journal Entries JE # 102		5100.09		
To reclass related party expenses				
99-20020	Accounts Payable		9,017.00	
99-20050	Due to GLDC			6,434.00
99-20083	Due to GUSC			2,583.00
Total			<u><u>9,017.00</u></u>	<u><u>9,017.00</u></u>
Reclassifying Journal Entries JE # 103				
Reclassifying Journal Entries JE # 103		6000.05		
To close PY retained earnings into capital accounts.				
99-30000	GLDC Capital		3,336.00	
99-30100	NYSTEC Capital		2,730.00	
99-31000	Retained Earnings			6,066.00
Total			<u><u>6,066.00</u></u>	<u><u>6,066.00</u></u>
	Total Reclassifying Journal Entries		<u><u>45,433.00</u></u>	<u><u>45,433.00</u></u>
	Total All Journal Entries		<u><u>45,433.00</u></u>	<u><u>45,433.00</u></u>