



**Albany County Pine Hills Land Authority**  
**Audit Committee Meeting**

**Thursday, December 11, 2025, at 10:00 AM**  
**Lally School of Education, 3<sup>rd</sup> Floor Conference Room**  
**1009 Madison Ave, Albany, NY 12208**

**AGENDA**

- |  |                                      |
|--|--------------------------------------|
| <b>1) Call to Order &amp; Roll Call</b>                  | <b>Alison Walsh, Chair</b>           |
| <b>2) Meeting Minutes Review – March 28, 2025 p. 1-2</b> | <b>Alison Walsh, Chair</b>           |
| <b>3) Audit Engagement Presentation p. 2-29</b>          | <b>Kevin Testo, Bonadio &amp; Co</b> |
| <b>a) (action) Resolution 2025-12-01 p. 30</b>           |                                      |
| <b>4) Executive Session (if necessary)</b>               |                                      |
| <b>5) Adjournment</b>                                    | <b>Alison Walsh, Chair</b>           |



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**ROLL CALL**

<b>Board Member</b>	<b>Present/Excused/Absent</b>
Alison Walsh, Chair	
Dominic Mazza, Ex-Officio	
John Nigro, Member	
Sarah Reginelli, Member	
Alejandra Paulino, Member	
Jasmine Higgins, Member	
Dannielle Melendez, Member	



**Albany County Pine Hills Land Authority**  
**Audit Committee Meeting Minutes – 3/28/2024**

A Meeting of the Advance Albany County Pine Hills Land Authority (“ACPHLA” or “Authority”) Audit Committee was held on Friday, March 28, 2025, at 10:00 am at 420 Western Avenue, Albany, NY 12203. Members of the public were able to attend the meetings by attending in person; additionally, the Meeting was live streamed via the internet.

The following Members were present at, and participated in the meeting:

Alison Walsh, Chair; Dominic Mazza, Member, John Nigro, Member; Sarah Reginelli, Member; Dannielle Melendez, Member, Jasmine Higgins, Member

Excused Members:

- Alejandra Paulino, Member

Advance Albany County Alliance Staff:

- Kevin O'Connor, Director of Economic Development, Albany County and CEO
- Amy Thompson, CFO
- Dylan Turek, Sr. VP of Development
- Sara Paulsen, Executive Assistant
- Antionette Hedge, Economic Development Coordinator

Also present:

- Harol Islin, Esq. (video)
- Jeffery Jamison, Esq. (video)
- Thomas Owens, Esq.
- Paul Goldman, Esq.
- David Reilly, Albany County Commissioner of Division of Management & Budget
- Michael Lalli, Albany County Director of Operations
- Alexander Mathes, Mathes Public Affairs

Guests:

- Kevin Testo, The Bonadio Group
- Samuel Zadrozny, The Bonadio Group
- Jacqueline Conti, J.D., MAI
- John Wallner, Pine Hills Neighborhood

Ms. Walsh called the meeting to order at 10:01 am.

1. As the first order of business, a roll call was made, and it was confirmed there was



**Albany County Pine Hills Land Authority**  
**Audit Committee Meeting Minutes – 3/28/2024**

quorum.

2. The next order of business was the CFO Report. Ms. Thompson and Mr. Owens presented four (4) Resolutions and one Recommendation for Board action/approval, all of which were unanimously approved by the Audit Committee.
  - a. Resolution 03-2025-01 confirms the independence of the auditor. Following a review and discussion of the statutory requirements for independence, on a motion made by Ms. Melendez, seconded by Mr. Nigro, Resolution 03-2025-01 was approved pursuant to a unanimous vote.
  - b. Ms. Thompson presented to the board the PARIS Report, which consists of the 2024 Annual Report, Investment Report, Certified Financial Audit, and Procurement Report. The Committee unanimously passed a resolution to recommend that the Board approve the various PARIS Reports and authorize staff to submit/distribute such Reports.
  - c. Mr. Testo of the Bonadio Group presented to the board the Audited Financial Statement and Audit Report for 2024, and following such review/discussion, he indicated that the Bonadio Group would be issuing the Authority an unqualified and unmodified audit. Resolution 03-2025-02 was presented to the board to approve the 2024 Audited Financial Statement and to accept the 2024 Independent Audit results. On a motion made by Mr. Nigro, seconded by Ms. Higgins, Resolution 03-2025-02 was approved pursuant to a unanimous vote.
  - d. Ms. Thompson and Mr. Owens provided a review of the Audit Committee Charter, including a summary of the Committee's duties and responsibilities. No changes were recommended to the Charter. Following a discussion by the Committee, Resolution 03-2025-03 (confirming the review of the committee charter) on a motion made by Ms. Reginelli and seconded by Mr. Nigro, was approved pursuant to a unanimous vote.
  - e. Ms. Thompson and Mr. Owens provided a review of Management's Assessment of Internal Controls. Following a discussion by the Committee, Resolution 03-2025-04 (documenting management's annual assessment of internal control) on a motion made by Mr. Mazza and seconded by Ms. Reginelli, was approved pursuant to a unanimous vote.
3. The next order of business was Executive Session. There was no Executive Session.
4. The meeting adjourned with the unanimous consent of all Board Members at 10:21 am.

December 3, 2025

Kevin O'Connor, CEO  
Albany County Pine Hills Land Authority  
111 Washington Avenue, Suite 100  
Albany, NY 12207

Dear Kevin:

We are pleased to confirm our understanding of the services we are to provide for Albany County Pine Hills Land Authority (the "Organization" or "you" or "your") for the year ending December 31, 2025.

**Audit Scope and Objectives**

We will audit the financial statements of the Organization, which comprise the statement of net position, the related statement of revenues, expenses and changes in net position, functional expenses, cash flows, and disclosures to the financial statements, which collectively comprise the basic financial statements of the Organization as of and for the year ended December 31, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Organization's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Organization's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

**1) Management's Discussion and Analysis (MD&A)**

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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.

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The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Organization and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, 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. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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 and *Government Auditing Standards*. 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 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 customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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

- Management override of controls
- Fraudulent revenue recognition

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 financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

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 opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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 significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **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, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.



Management is 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 for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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 your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 of each opinion unit 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, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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 assist in preparing the financial statements and related notes of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement 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.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Board of the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to NYS Office of the State Comptroller or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. 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.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the aforementioned parties. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

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 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 our fee for these services will be approximately \$14,000 -\$16,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. 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 may 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(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. In the event certain circumstances, as listed in Appendix A, arise during the engagement, our agreed upon fees will be affected and additional fees may be assessed. 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 those charged with governance 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 opinions, 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 opinions are 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 opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Organization is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Electronic Communications**

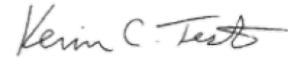
In performing services under this Agreement, Bonadio & Co., LLP and/or the Organization may wish to communicate electronically either via facsimile, electronic mail, cloud-based portal or similar methods (collectively, "Electronic Means"). However, the electronic transmission of information cannot be 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. 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.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2023 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Organization 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 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 Pine Hills Land Authority.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Report on the Firm's System of Quality Control**

September 18, 2023

To the Partners of Bonadio & Co., LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.



EisnerAmper LLP  
Baton Rouge, Louisiana

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## **Appendix A**

### **Circumstances Affecting Timing and Fee Estimate**

The fee quoted for the audit is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually requires reassignment of personnel used in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Bonadio & Co., LLP may incur significant unanticipated costs. The audit start date will be agreed upon with management.
2. All audit schedules are (a) not provided by you on the date requested, (b) not completed in an appropriate format or mathematically correct, or (c) not in agreement with the appropriate records (e.g., general ledger accounts, source documents, confirmations).
3. If all requested information is not provided by the date requested, additional fees at standard hourly rates will be charged for all work performed after the scheduled fieldwork dates.
4. Weaknesses or significant changes in the internal control structure or systems.
5. Necessary changes to management prepared financial statements.
6. Significant new issues or changes as follows:
  - a. Significant new accounting issues that require an unusual amount of time to resolve,
  - b. Significant changes or transaction that occur prior to the issuance of our reports,
  - c. Significant changes in auditing requirements set by regulators.
7. Significant delays in your assistance in the engagement or delays in reconciling variances as requested by Bonadio & Co., LLP.
8. All invoices, contracts, or other documents, which we will identify, are not located by your personnel or made ready for our easy access.
9. Significant level of proposed adjustments identified during our audit.
10. Changes in audit scope caused by events that are beyond our control.
11. Untimely payment of our invoices as they are rendered.
12. Delays in engagement continuance due to outside parties including attorneys and lending institutions.



**Bonadio & Co., LLP**

Accounting, Consulting & More

## Albany County Pine Hills Land Authority

### Audit Planning Communication 2025 Audit Plan

December 11, 2025

.....  
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December 11, 2025

Dear Members of the Board of Directors of Albany County Pine Hills Land Authority:

We are pleased to present our 2025 Audit Plan for the financial statements of Albany County Pine Hills Land Authority (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's profile as they work at a desk. A desk lamp is positioned over the desk, and a laptop is open. The person's hands are visible, typing on the laptop keyboard. The image has a blue tint and is partially obscured by a dark blue overlay at the bottom.

# 01

## Executive Summary

# Executive Summary

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## Audit Planning Considerations

### Current Year Activity (through October 2025)

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- Purchased College of Saint Rose for approximately \$40.5 million with Series A bonds (\$862k in bond issuance costs)
- Approximately \$4.1M in debt reserves
- Approximately \$2.8M in expense reimbursements from Albany County
- Significant expenses include the following: \$836k in insurance expenses, \$761k in depreciation, \$610k in payroll expenses, \$574k in utilities, \$370k in professional services, \$104k in legal fees

### The Audit Highlights

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- We affirm our independence with Albany County Pine Hills Land Authority.
- No new accounting standards in 2025 that will impact the Organization.
- Management responsible for MD&A.



The background of the slide features a blurred image of a person in a professional setting. The person is seated at a desk, 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 positioned to the left of the large number '02'.

# 02

## Audit Approach

## Audit Approach

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### Our Primary Objectives are to:

- Perform an audit in accordance with GAAS and Government Auditing Standards 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 Pine Hills Land Authority 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 Pine Hills Land Authority's December 31, 2025 financial statements.

## Audit Approach

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### 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

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

## Audit Approach

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### Client Service Team



**Kevin Testo**  
***Engagement Partner***  
ktesto@bonadio.com  
(518) 250-7708

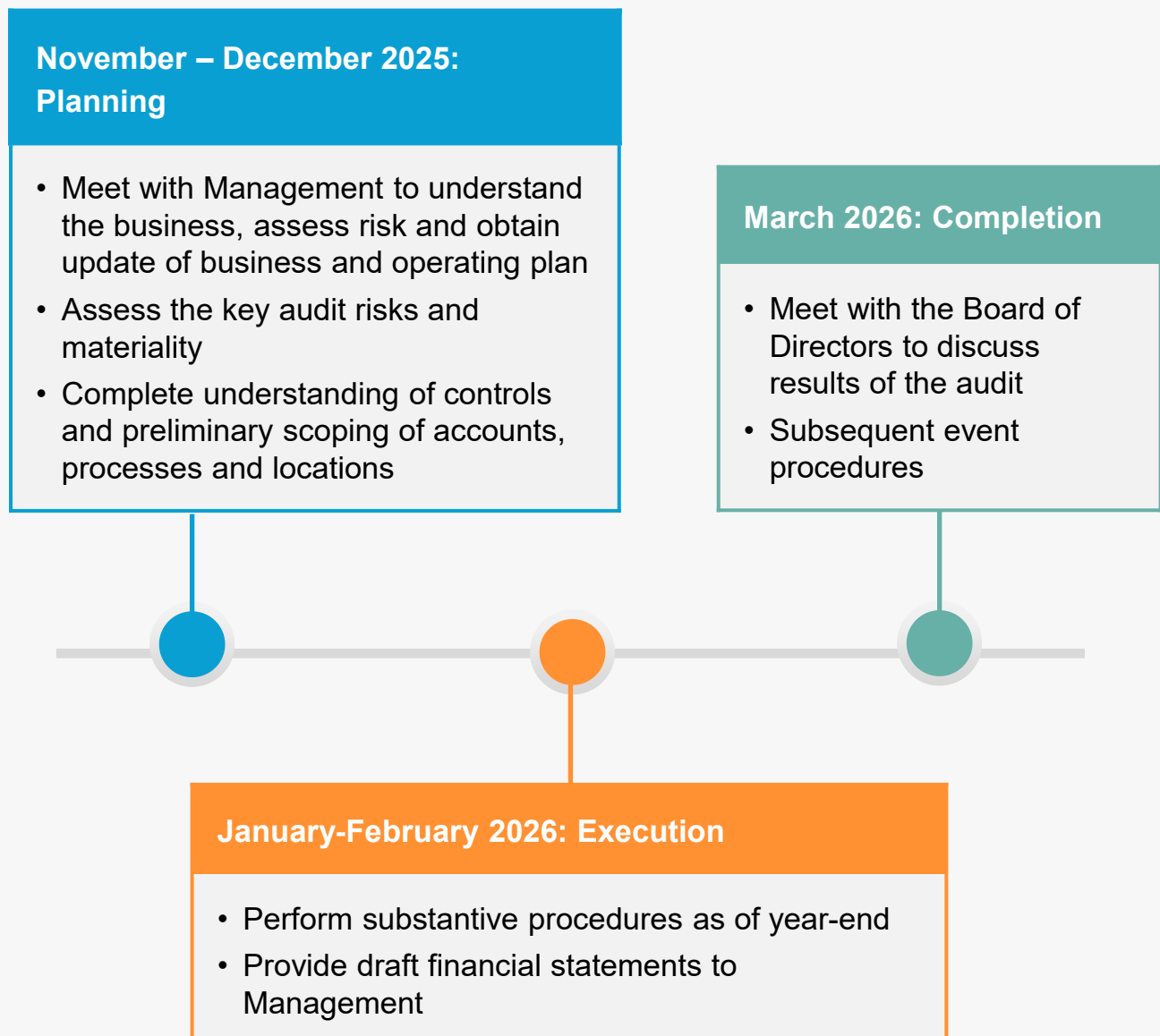


**Samuel Zadrozny**  
***Manager***  
szadrozny@bonadio.com  
(518) 250-7725

## 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

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### Other Required Communications

### Independence

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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

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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

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

### Obtain information relevant to the audit

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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.

The background of the slide features a person in a striped shirt working at a desk. They are using a laptop and have a document with a pie chart open next to it. A desk lamp is positioned over the workspace. The image is overlaid with a blue gradient and a vertical orange line on the left side.

# 03

## Appendices

# THE BONADIO GROUP

Accounting, Consulting & More

## 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

**RESOLUTION 2025-12-01 OF THE  
ALBANY COUNTY PINE HILLS LAND AUTHORITY  
AUDIT COMMITTEE**

**WHEREAS**, the Albany County Pine Hills Land Authority (“Authority”) was established pursuant to Title 28-C of the Public Authorities Law as set out in Chapter 168 of the Laws of 2024 of the State of New York (“Enabling Legislation”); and

**WHEREAS**, Section 2802 of the Public Authorities Law and Section 2676-t of the Enabling Legislation provide that the Authority shall annually have an audit performed by an independent certified accountant; and

**WHEREAS**, Section 2676-f(12) of the Enabling Legislation provides that the Authority shall have the power “to retain or employ counsel, auditors, engineers, and private consultants on a contract basis or otherwise for rendering professional, management, or technical services and advice”; and

**WHEREAS**, Section 5(A) of the Authority Procurement Policy provides that the solicitation of alternative proposals and quotations may not be in the best interest of the Authority for “Professional services . . . requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgment, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Authority, e.g., legal and accounting services, impact liability issues of the Authority and its members, including securities liability in circumstances where the Authority is issuing bonds. . . . In determining whether a service fits into this category, the Authority shall take into consideration the following guidelines: (a) whether the services are subject to State licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and Authority members;” and

**WHEREAS**, the Authority’s Audit Committee Charter provides that the Audit Committee shall “[a]ppoint, compensate, and oversee the work of any public accounting firm employed by the Authority” and

**WHEREAS**, pursuant to the above statutory authority and in accordance with Section 5(A) of the Procurement Policy, the Authority’s Audit Committee desires to procure independent audit services from the Bonadio Group to conduct an independent audit for 2024 pursuant to, and in accordance with relevant legal requirements (the “Audit Services”); and

**NOW, THEREFORE BE IT RESOLVED**, the Chief Executive Officer is authorized and directed to prepare, negotiate, and execute any and all agreements and other related documents necessary to procure the Audit Services.

Dated: December 11, 2025

\_\_\_\_\_  
Secretary

Motion made by:

Seconded by:

Vote: