

**ADVANCE ALBANY COUNTY ALLIANCE LOCAL
DEVELOPMENT CORPORATION**
(A Discretely Presented Component Unit of the County
of Albany, New York)

**Financial Statements as of
December 31, 2025 and 2024
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

March 25, 2026

To the Board of Directors of
Advance Albany County Alliance Local Development Corporation:

Opinion

We have audited the accompanying financial statements of Advance Albany County Alliance Local Development Corporation (a New York nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advance Albany County Alliance Local Development Corporation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Advance Albany County Alliance Local Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Advance Albany County Alliance Local Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

www.bonadio.com

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Advance Albany County Alliance Local Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Advance Albany County Alliance Local Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 11,355,827	\$ 2,800,986
Certificates of deposit	-	2,000,000
Accounts receivable	690,663	363,872
Grants receivable	552,572	305,669
Prepaid expenses	<u>232,770</u>	<u>33,616</u>
Total current assets	<u>12,831,832</u>	<u>5,504,143</u>
PROPERTY AND EQUIPMENT, net	<u>2,275,111</u>	<u>358,038</u>
OPERATING LEASE RIGHT-OF-USE-ASSETS	<u>167,504</u>	<u>253,501</u>
TOTAL ASSETS	<u>\$ 15,274,447</u>	<u>\$ 6,115,682</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 128,468	\$ 46,102
Accrued expenses	1,912,142	10,651
Deferred grant income	9,132,788	3,850,000
Current portion of operating lease liability	<u>89,742</u>	<u>94,814</u>
Total current liabilities	<u>11,263,140</u>	<u>4,001,567</u>
OPERATING LEASE LIABILITY, net of current portion	<u>77,762</u>	<u>158,687</u>
TOTAL LIABILITIES	<u>11,340,902</u>	<u>4,160,254</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>3,933,545</u>	<u>1,955,428</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,274,447</u>	<u>\$ 6,115,682</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
REVENUES:		
Contributions and grant revenue	\$ 4,512,593	\$ 1,455,669
Agency fees	1,513,008	1,043,375
Interest income	170,630	126,228
Hotel occupancy tax	887,542	-
Rental income	<u>-</u>	<u>35,555</u>
 Total revenues	 <u>7,083,773</u>	 <u>2,660,827</u>
EXPENSES:		
Program	4,692,930	1,408,051
Administrative	<u>412,726</u>	<u>116,230</u>
 Total expenses	 <u>5,105,656</u>	 <u>1,524,281</u>
 CHANGE IN NET ASSETS	 1,978,117	 1,136,546
 NET ASSETS - BEGINNING OF YEAR	 <u>1,955,428</u>	 <u>818,882</u>
 NET ASSETS - END OF YEAR	 <u>\$ 3,933,545</u>	 <u>\$ 1,955,428</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
STAGE grant passthrough	\$ 1,770,491	\$ 196,721	\$ 1,967,212
Salaries and benefits	1,221,866	135,763	1,357,629
Legal and professional services	978,386	-	978,386
Power study	135,000	15,000	150,000
Rent	93,628	10,403	104,031
Shovel ready expenses	90,000	10,000	100,000
Advertising	86,806	9,645	96,451
Insurance	79,037	8,782	87,819
Office supplies	67,127	7,458	74,585
Repairs and maintenance	30,852	3,428	34,280
Depreciation	27,681	3,076	30,757
Miscellaneous	25,612	2,846	28,458
Property tax	24,821	2,758	27,579
Travel	21,194	2,355	23,549
Sponsorship	18,000	2,000	20,000
Dues and subscriptions	14,466	1,607	16,073
Conference	5,344	594	5,938
Telephone	1,471	163	1,634
Filing fees	1,148	127	1,275
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Total expenses	<u>\$ 4,692,930</u>	<u>\$ 412,726</u>	<u>\$ 5,105,656</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Salaries and benefits	\$ 629,715	\$ 69,968	\$ 699,683
Legal and professional services	361,964	-	361,964
STAGE grant passthrough	135,000	15,000	150,000
Rent	90,400	10,044	100,444
Office supplies	45,765	5,085	50,850
Advertising	43,418	4,824	48,242
Depreciation	32,697	3,633	36,330
Sponsorship	19,260	2,140	21,400
Travel	15,512	1,722	17,234
Dues and subscriptions	12,789	1,421	14,210
Insurance	10,556	1,173	11,729
Miscellaneous	6,510	723	7,233
Conference	2,759	307	3,066
Filing fees	923	103	1,026
Telephone	783	87	870
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Total expenses	<u>\$ 1,408,051</u>	<u>\$ 116,230</u>	<u>\$ 1,524,281</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,978,117	\$ 1,136,546
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	30,757	36,330
Changes in:		
Accounts receivable	(326,791)	(273,658)
Grants receivable	(246,903)	(305,669)
Prepaid expenses	(199,154)	(13,717)
Accounts payable	(11,809)	17,396
Accrued expenses	1,901,491	8,685
Deferred income	<u>5,282,788</u>	<u>3,850,000</u>
Net cash flows from operating activities	<u>8,408,496</u>	<u>4,455,913</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificates of deposit	-	(2,000,000)
Sale of certificates of deposit	2,000,000	-
Purchase of property and equipment	<u>(1,853,655)</u>	<u>(278,731)</u>
Net cash flows from investing activities	<u>146,345</u>	<u>(2,278,731)</u>
CHANGE IN CASH	8,554,841	2,177,182
CASH - BEGINNING OF YEAR	<u>2,800,986</u>	<u>623,804</u>
CASH - END OF YEAR	<u>\$ 11,355,827</u>	<u>\$ 2,800,986</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS:		
Property and equipment additions included in accounts payable	<u>\$ 94,175</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF ALBANY,
NEW YORK)**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

1. THE ORGANIZATION

Advance Albany County Alliance Local Development Corporation (the Corporation) was formed in November 2020 to relieve and reduce unemployment in Albany County (the County), promote and provide additional adult employment in the County, maintain adult job opportunities in the County, and to carry on scientific distribution of grants to qualifying small businesses in the County. Since its inception, the Corporation has substantially been supported by grants from the County. The Corporation is considered a discretely presented component unit of the County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures. Actual results could differ from those estimates.

Cash

The Corporation maintains its cash in bank deposit accounts which may at times exceed federally insured limits. The Corporation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on cash.

Certificates of Deposit

The Corporation maintains certificates of deposit which consist of highly liquid debt instruments purchased with an original maturity of three months or less and bearing interest of 3.75%.

Accounts Receivable

The Corporation considers accounts receivable to be fully collectible. Accordingly, no allowance for credit losses has been reflected in the financial statements as of December 31, 2025 and 2024. If in the future, management determines that amounts may be uncollectible, an allowance will be established, and operations will be changed when that determination is made. Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted the account is written off.

Property and Equipment

All acquisitions of property and equipment that materially prolong the useful lives of assets costing over \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Corporation's net assets are classified as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as releases from restriction. The Corporation reports its activities and the related net assets using the following net asset categories:

- Net Assets Without Donor Restrictions – Net assets without donor restrictions include funds available for use without any donor-imposed restrictions. The Board of Directors can authorize use of these funds as it desires to carry on the purpose of the Corporation according to its by-laws.
- Net Assets with Donor Restrictions – Net assets with donor restrictions include resources that have been donated to the Corporation subject to restrictions as specified by the donor. There were no net assets with donor restrictions as of December 31, 2025 and 2024.

Revenue Recognition

Agency Fees

The Corporation maintains agency agreements to perform administrative, managerial, accounting, marketing, compliance, and project development services for the following organizations:

- Albany County Business Development Corporation
- Albany County Pine Hills Land Authority
- Albany County Capital Resource Corporation
- Albany County Industrial Development Agency

The performance obligation is met, and revenue is recognized, when applicable services are performed. The Corporation's transaction price is stated in the annual agency agreement contracted with each organization, and is developed based on the costs of staffing, office equipment, utilities, phone, and computer networking.

Accounts receivable related to agency fees were as follows at December 31:

<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>\$ 401,661</u>	<u>\$ 363,872</u>	<u>\$ 90,214</u>

Hotel Occupancy Taxes

Albany County collects certain hotel room taxes from visitors during the year for the purpose of economic development activities, business development and growth, and for promoting Albany county. In accordance with an agreement with Albany County, a portion of these taxes are remitted to the Corporation on a quarterly basis. The Organization recognizes room tax revenue at the same time Albany County collects these taxes from visitors. Revenue earned but not yet received is recorded within accounts receivable and amounted to \$289,002 at December 31, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grant Revenue

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from donor restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

Deferred grant revenue arises when resources are received by the Corporation before it has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Corporation has legal claim to the resources, the liability for deferred revenue is removed and recognized as revenue.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, all costs have been allocated amongst the programs and supporting services benefited based on hours spent.

Leases (As Lessee)

In evaluating contracts to determine if they qualify as a lease, the Corporation considers factors such as if the Corporation obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Right-of-use assets (ROU) represent the Corporation's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Corporation is reasonably certain to exercise these options.

For all underlying classes of assets, the Corporation has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Corporation recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Corporation elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable.

The Corporation elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Income Tax Status

The Corporation is a non-profit organization generally exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Corporation has been classified as a publicly supported organization that is not a private foundation.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At December 31, the Corporation has the following financial assets available to meet cash needs for general expenditure within one year of the statement of financial position date:

	<u>2025</u>	<u>2024</u>
Cash	\$ 11,355,827	\$ 2,800,986
Certificates of deposit	-	2,000,000
Accounts receivable, net	690,663	363,872
Grants receivable	<u>552,572</u>	<u>305,669</u>
	<u>\$ 12,599,062</u>	<u>\$ 5,470,527</u>

The Corporation's ability to meet its cash needs is highly dependent on timely receipt of contributions, which are primarily due from its granting sources and agency fees. The Corporation has designed procedures to collect from these payers as quickly as possible. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Corporation could also manage vendor relationships to extend payment terms where possible.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Construction in progress	\$ 1,883,410	\$ -
Buildings	316,333	251,913
Computer equipment	60,399	60,399
Office furniture and equipment	53,574	53,574
Computer software	48,000	48,000
Capital improvements	25,433	25,433
Less: Accumulated depreciation	<u>(112,038)</u>	<u>(81,281)</u>
	<u>\$ 2,275,111</u>	<u>\$ 358,038</u>

At December 31, 2025, the Corporation has committed to complete additional capital improvements totaling approximately \$13,400,000.

5. RENTAL INCOME

The Corporation sub-leased a portion of their office space to an unrelated tenant and entered into an operating lease for five years with that tenant. Rental income for the year ended December 31, 2024 was \$35,555. The Corporation has determined that the office space is predominant in this contract and is accounting for the office component as an operating lease under ASC 842. As a result, the Corporation has presented all rental income on the same line item in the statements of activities. As of October 4, 2024, this lease agreement was terminated by both parties.

6. LEASES

The Corporation leases its office space. The lease is an operating lease and expires in October 2027. The operating lease liability was determined using a remaining lease term of 2 years at a discount rate of 4.27%. Operating lease expense amounted to \$94,814 during 2025 and 2024.

Maturities of operating lease liabilities as of December 31, 2025 are as follows:

2026	\$ 94,814
2027	<u>79,011</u>
Total lease payments	173,825
Less: Interest	<u>(6,321)</u>
Total present value of lease liability	167,504
Less: Current portion	<u>(89,742)</u>
	<u><u>\$ 77,762</u></u>

Cash paid for amounts included in the measurement of operating lease liabilities totaled \$104,031 and \$100,444 for 2025 and 2024, respectively.

7. SUBSEQUENT EVENTS

The Corporation has evaluated events through March 25, 2026, which is the date the financial statements were available to be issued.