
Audit Committee Meeting New York City Economic Development Corporation

June 16, 2026



NOTICE OF THE AUDIT COMMITTEE MEETING OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

June 16, 2026

A meeting of the Audit Committee of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") will be held at 9:45 a.m. on Tuesday, June 16, 2026 at NYCEDC, One Liberty Plaza, Conference Center 14A-14B, New York, New York 10006.

The agenda for the meeting is as follows:

- I. Approval of the Minutes of the March 26, 2026 Audit Committee Meeting
- II. Approval of FY2027 Audit Committee Meeting Dates
- III. Ernst & Young Update
- IV. Internal Audit Update and FY27 Internal Audit Plan
- V. Session with External Auditors (if necessary)
- VI. Session with Internal Audit Management (if necessary)
- VII. Session with Management (if necessary)
- VIII. Such other business as may properly come before the Audit Committee meeting

Approval of the minutes of the March 26, 2026 Audit Committee Meeting

**MINUTES OF SPECIAL MEETING OF THE AUDIT COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
March 26, 2026**

A special meeting of the Audit Committee (the "Committee") of New York City Economic Development Corporation (the "Corporation" or "NYCEDC") was held on Thursday, March 26, 2026, at the Corporation, One Liberty Plaza, Conference Room 14A (The Battery), New York, New York 10006.

The following members of the Committee were present in person at the above indicated meeting of the Committee (the "Meeting"), constituting a quorum:

- Eric Clement
- James McSpirtt
- Betty Woo

The following members of NYCEDC staff were present in person:

- Finance:
 - Spencer Hobson – EVP/Treasurer
 - Amy Chan – Controller
 - Leslie Escobar – Deputy Controller
- Internal Audit ("IA"):
 - Eric Katz – Senior Vice President
 - Jelicia Young – Senior Auditor
- Legal:
 - Mark Silversmith – Special Counsel
- MIS:
 - Mafamata Seck – Senior Technical Lead

The meeting was called to order at 9:34 a.m.

1. Approval of the Minutes of February 3, 2026 Audit Committee Meeting

Mr. Clement asked if there were any corrections or adjustments related to the minutes of the February 3, 2026 Committee meeting. There being no corrections or adjustments, Mr. Clement motioned to approve the minutes. Ms. Woo seconded the motion and the minutes were approved.

2. Approval of which entity should serve as NYCEDC's external auditor, and as the external auditor for certain related entities, and the compensation to be paid to the auditor, to be submitted for approval by the NYCEDC Board of Directors

Ms. Chan noted that the Public Authorities Accountability Act requires both the selection of an independent CPA firm, and compensation, for the auditor of the Corporation's financial statements to be approved by the Audit Committee and the Board of Directors. She noted that the current audit contract with Ernst & Young LLP ("EY") will expire on July 1, 2026, and an RFP for a new audit contract was issued on January 9, 2026. NYCEDC staff have reviewed the proposals in response to the RFP and recommended the selection of EY.

Ms. Escobar started her presentation seeking the approval of the Audit Committee to accept the recommendation to select EY as the external auditor for NYCEDC and its component units, including the newly created HPPM LLC, for an amount not to exceed \$2,208,000. Ms. Escobar discussed the scope of work for the proposed engagement, which includes audits of NYCEDC's combined financial statements and a public purpose fund and audits of the schedule of investments for the fiscal years ending June 30, 2026 through 2029; preparation of tax-related forms 990 and CHAR500 to be filed with the New York State attorney general's office for the fiscal years ending June 30, 2026 through 2029; preparation of an annual report, as needed, for the fiscal years ending June 30, 2026 through 2029, utilizing agreed-upon procedures to support the completion of net national transit database forms that are submitted to the federal transit administration; a management letter, if required, for each of the fiscal years setting forth findings and recommendations; performance of other audit and tax-related services and preparation of other reports as needed.

Ms. Escobar further explained the services to be performed for HPPM LLC will include stand-alone audits of HPPM LLC's financial statements, if required, for the fiscal years ending June 30, 2026 through 2029, audits of schedules of expenditures of federal awards, if required, for the same fiscal years, audits of the schedule of investments for the same fiscal years, and a management letter, if required, for each fiscal year setting forth findings and recommendations.

Ms. Escobar provided an explanation of the selection process, noting a public RFP was performed where NYCEDC publicly advertised through the City Record and the RFP was also delivered to all accounting firms from the City Comptroller's pre-qualified CPA list. Eight firms responded to the RFP. Ms. Escobar then discussed the criteria in which the firms were evaluated. The two highest-scoring firms were interviewed, with EY scoring the highest in both the proposal and interview rounds. Ms. Escobar cited EY's extensive knowledge and expertise in state and local government audits, its institutional knowledge of NYCEDC and the value continuity will provide for the implementation of the new accounting pronouncement, GASB Statement No. 103. She also noted EY's commitment to continue its MWBE partnership with Mitchell & Titus as a subcontractor even though there was no MWBE requirement in the RFP.

In response to the question about the difference in the proposed cost compared to prior years, Ms. Chan stated that the amount represents approximately a 14% increase from the previous contract. She went on to explain that approximately \$550,000 of the \$2.2 million for EY would be

for the newly added HPPM LLC. In response to a follow-up question on whether the cost is dependent on an independent audit or whether it's part of the combined audit, Ms. Chan stated that it would be part of the combined audit but that unlike other entities that are rolled into NYCEDC's financial statements, separate audited financials are also required for HPPM LLC; however, this won't be needed until a drawdown of federal loan funds occurs or when pledged revenues start to come in after the loan agreement is executed.

There being no further questions, Mr. Clement moved to approve (a) the selection of EY as the external auditor for NYCEDC (and NYCEDC blended component units) and HPPM LLC and (b) the above indicated amount to be paid to EY under the Audit Contract, and to recommend that NYCEDC's Board of Directors approve NYCEDC and possibly HPPM LLC entering into one or more of the consulting contracts constituting the Audit Contract substantially as described in Exhibit A hereto. Mr. McSpirtt seconded and the item was approved.

3. Other Business

There was no other business.

4. Adjournment

There being no other business, Mr. Clement moved the motion to adjourn the meeting. Mr. McSpirtt seconded and the meeting was adjourned at 9:42 a.m.

EXHIBIT A

AUDITS, TAX DOCUMENTS AND REPORTS
Audit Committee Meeting
March 26, 2026

Project Description: Performance of audits and preparation of reports and tax documents for New York City Economic Development Corporation (“NYCEDC”) and HPPM LLC (of which NYCEDC is the sole member and which was created in connection with a proposed federal loan for a portion of the cost of proposed improvements at the Hunts Point Produce Market)

Type of Contract: One or more consulting contracts for Project services (collectively, the “Audit Contract”)

Amount to be Approved: Up to \$2,208,000 to be paid by NYCEDC to compensate Ernst & Young LLP (“EY”) for the Audit Contract services

Type of Funds: NYCEDC programmatic budget funds

Procurement Method: Public RFP sent to all accounting firms on the City Comptroller’s pre-qualified certified public accountant list and publicly advertised in the City Record. NYCEDC staff evaluated the submitted proposals using principally the following criteria: the firm’s experience with audits of similar size and scope, the overall qualification, strength and experience of the audit team, the audit approach, the proposed fees, and the overall quality of the proposal.

Agreements to be Approved: One or more contracts between NYCEDC and/or HPPM LLC and EY for Project services; the portion of the services with regard to HPPM LLC may be performed by EY under a separate contract between EY and HPPM LLC or included in a contract between NYCEDC and EY and possibly HPPM LLC for the other Project services described herein

Scope of Work:

EY will provide primarily the following services:

- For fiscal years ending June 30, 2026 through 2029: audits of the combined financial statements of NYCEDC (including NYCEDC blended component units), a public purpose fund and schedules of investments; preparation of CHAR500 form to be filed with the New York State Attorney General’s Office

and supporting forms including on IRS form 990; preparation of management letters, if needed, detailing the auditor's control findings and recommendations;

- For the fiscal years ending June 30, 2026 through 2029: audits of the financial statements of HPPM LLC, schedules of expenditures of federal awards and schedules of investments, if required; preparation of management letters, if needed, detailing the auditor's control findings and recommendations;
- Preparation of an annual report, as needed, for the fiscal years ending June 30, 2026 through 2029, utilizing agreed upon procedures to support the completion of National Transit Database forms that are to be submitted to the Federal Transit Administration; and
- For the fiscal years ending June 30, 2026 through 2029, performance of other audit and tax related services and preparation of other reports, as needed.

Proposed Resolution: To approve (a) the selection of EY as the external auditor for NYCEDC (and NYCEDC blended component units) and HPPM LLC and (b) the above indicated amount to be paid to EY under the Audit Contract, and to recommend that NYCEDC's Board of Directors approve NYCEDC and possibly HPPM LLC entering into one or more of the consulting contracts constituting the Audit Contract substantially as described herein

Relevant Staff: Amy Chan, Senior Vice President and Controller
Leslie Escobar, Vice President and Deputy Controller
Karen Lapidus, Senior Counsel, Legal

Project Code: 11543

Approval of FY2027 Audit Committee Meeting Dates



To: NYCEDC Audit Committee Members

Re: FY2027 Audit Committee Meetings for NYCEDC

Place: At the request of the chairperson, meetings will be held at One Liberty Plaza, New York, NY 10006

Monday	9-28-26	9:30 a.m.
Tuesday	2-2-27	9:45 a.m.
Tuesday	6-15-27	9:45 a.m.

Ernst & Young Update

New York City Economic Development Corporation

2026 audit plan

June 16, 2026



The better the question. The better the answer. The better the world works.



Shape the future
with confidence

Executive highlights

2026 EY services and deliverables

Audit and reporting related services

Express an opinion on, and report to the Audit Committee, the results of our audits of:

- the financial statements of New York City Economic Development Corporation including:
 - business-type activities
 - fiduciary activities
- the Schedule of Investments of New York City Economic Development Corporation

Issue a Report on Internal Control Over Financial Reporting and on Compliance and Other Matters of*:

- the financial statements of New York City Economic Development Corporation
- the Schedule of Investments of New York City Economic Development Corporation

Issue a written communication to Management and the Audit Committee describing:

- significant deficiencies to the extent we identify deficiencies during the audit, we evaluate them and determine whether none rise to the magnitude of a significant deficiency
- material weaknesses identified during our audit, if any

Issue a management letter including recommendations for improvements in controls and procedures (if applicable)

*Based on an Audit of Financial Statements, or based on an Audit of the Schedule of Investments, respectively, performed in accordance with *Government Auditing Standards*

2026 New York City Economic Development Corporation audit plan

Our areas of audit emphasis are as follows in the subsequent slides. Our proposed audit plan to address specific areas of emphasis is detailed within. Our audit procedures emphasize testing those processes, accounts, contracts or transactions where we believe there is the greatest risk of material misstatement to the financial statements, whether due to error or fraud. We consider the effects of current market risk factors on New York City Economic Development Corporation, and place emphasis on those areas requiring subjective determinations by management. We will reassess our risk assessment and other internal and external factors influencing the Corporation throughout our audit and communicate to you any changes to our initial plan, as necessary.

Areas of emphasis

Topic	Planned responses
Presumed risk of management override of controls*	<ul style="list-style-type: none"> ▪ Test the appropriateness of journal entries and other adjustments made in the preparation of the financials statements ▪ Review accounting estimates for evidence of management bias ▪ Evaluate the business rationale for any significant unusual transactions
Consideration of internal controls over financial reporting	<ul style="list-style-type: none"> ▪ We will obtain an understanding of relevant internal controls over financial reporting as a basis for designing our audit procedures ▪ We will review system documentation and gain an understanding over significant classes of transactions such as: <ul style="list-style-type: none"> ▪ Purchases/accounts payable/cash disbursements ▪ Lease revenue/accounts receivable/cash receipts ▪ Grant revenue ▪ Real estate land sales ▪ Unearned fees ▪ Construction expenses ▪ Payroll expenses ▪ Recording accruals ▪ Financial statement close
GASB 103 adoption	<ul style="list-style-type: none"> ▪ We will obtain an understanding how management interpreted and applied the new standard including: <ul style="list-style-type: none"> ▪ Testing the completeness and accuracy of the adoption including any transition related judgments ▪ Evaluating the financial statement presentation and disclosure ▪ Evaluating the MD&A with the applicable financial reporting framework

* Professional standards require that we consider the risk of management override of controls to be a fraud risk on all audits

Areas of emphasis

Topic	Planned responses
Cash and investments (current and non-current)	<ul style="list-style-type: none"> ▪ We will perform an evaluation of the Corporation's accounting and reporting related to cash, investments, and risk in accordance GASB 40, where applicable, and GASB 72 ▪ We will confirm all cash and investment balances and agree responses to the Corporation's accounts and related reconciliations ▪ We will test a sample of investments to determine that they are properly valued, they are appropriately classified as current and non-current, and all risk disclosures will be evaluated
Revenue recognition (including unearned revenue)	<ul style="list-style-type: none"> ▪ We will test the amounts recognized by the Corporation as revenue and receivables by selecting a sample of contracts with the City ▪ We will test a sample of agreements related to work performed by the Corporation to determine whether revenue was properly recognized and recorded as unearned vs. earned as of June 30, 2026 ▪ In connection with expenditure-based grant revenue we will we substantively test Project and Program Costs representing reimbursable agreements on a sample of transactions
Accounts receivable and allowances	<ul style="list-style-type: none"> ▪ We will evaluate management's methodology for recording allowances ▪ We will test write-offs of balances and evaluate the write-offs for consistency and reasonableness ▪ We will substantively test accounts receivable balances
Leases receivable and deferred inflows of resources	<ul style="list-style-type: none"> ▪ We will evaluate the assumptions and various factors that affect the value of the leases receivable and the associated deferred inflows of resources based on a sample of leases ▪ We will evaluate the presentation and disclosures related to lease balances

Areas of emphasis

Topic	Planned responses
Capital assets	<ul style="list-style-type: none"> We will analyze and recalculate the value of capital assets and evaluate any additions and disposals for capital assets, including evaluating for proper classification
Accrued liabilities / Due to New York City	<ul style="list-style-type: none"> We will substantively test the Corporation's analysis of accrued liabilities, including the amount Due to New York City (the City) We will test a sample of the associated journal entries that were made during the year for propriety
Retainage payable	<ul style="list-style-type: none"> We will test vendor invoices to determine whether the proper percentage of the payment is withheld as retainage based on the respective contracts We will test the release of retainage to the vendor and evaluate if it is in accordance with the respective contract
Lease liabilities and right-of-use assets	<ul style="list-style-type: none"> We will analyze and recalculate the value of the lease liabilities and the associated right-of-use assets We also evaluate the presentation and disclosures related to lease balances
Tenant security deposits	<ul style="list-style-type: none"> We will test tenant security deposits and escrow deposits received for proper classification and compare the liability to the offsetting asset to determine whether they are in agreement

Areas of emphasis

Topic	Planned responses
Operating expenses	<ul style="list-style-type: none"> ▪ We will test the amounts recognized by the Corporation, by tracing to invoices and contracts with the vendor or other entity, on a sample of transactions ▪ We will test purchasing, accounts payable and cash disbursements
Compliance with applicable laws, regulations, contracts and grant agreements	<ul style="list-style-type: none"> ▪ We will test the Corporation's compliance with applicable laws, regulations, contracts and grant agreements
Net position	<ul style="list-style-type: none"> ▪ We will test changes to net position and evaluate the classification of net position including evaluating the appropriateness of the restricted classifications, where applicable
SSSM Sustainability Fund, LLC & OPEB Trust Fund (Fiduciary Funds)	<ul style="list-style-type: none"> ▪ We will evaluate of the Funds' accounting and reporting related to cash, investments and investment risk in accordance GASB 40, where applicable, and GASB 72 ▪ We will confirm cash and investments and test the valuation of the portfolios ▪ We will evaluate the disclosures related to the Funds' reporting

GASB 103, *Financial reporting model improvements*

Topic	Summary of provisions
MD&A	<ul style="list-style-type: none">▪ Requires that the information presented in MD&A be limited to the related topics discussed in five sections, described in the Statement▪ Stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed▪ Emphasizes that the analysis provided should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided
Unusual or Infrequent Items	<ul style="list-style-type: none">▪ Describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence▪ Display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows
Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position	<ul style="list-style-type: none">▪ Defines operating and nonoperating revenues and expenses▪ Requires that the statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses

Appendices

- A** Required communications
- B** Future of Audit. Now. AI journey
- C** 2025 EY peer review report

Appendix A

Required communications

The following is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor's Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance, management and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Required communications

Topic	Comments
Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities	Refer to the engagement agreement.
Fraud and noncompliance with laws and regulations (illegal acts)	We are not aware of any matters that require communication.
Overall planned scope and timing of the audit, and significant risks identified and any changes thereto	Refer to the executive highlights, audit plan, areas of emphasis and planned responses for additional information.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention	There are no matters to communicate.
Independence matters	We are not aware of any matters that in our professional judgment would impair our independence.

Required communications

Topic	Comments
Obtaining information relevant to the audit	<p>Inquiries regarding matters relevant to the audit are to be performed at this meeting:</p> <ul style="list-style-type: none">▪ Fraud, alleged fraud or suspected fraud▪ Noncompliance with laws and regulations (illegal acts)▪ Oversight of New York City Economic Development Corporation's assessment of fraud risks▪ Tips or complaints affecting New York City Economic Development Corporation's financial reporting▪ Significant unusual transactions▪ Related party relationships and transactions

Future of Audit. Now. AI journey

Accelerating our AI capabilities with agentic AI

Our leadership in AI for Assurance is built on a powerful platform, bold investment and a clear vision. We leverage trusted data, develop future-ready skills today and accelerate innovation through strategic alliances to deliver the most trusted, high-impact audit for our clients.

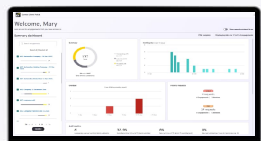
VISION

Most trusted AI ASSURANCE PROVIDER

INVESTMENT

\$1b+

PLATFORM



One global, cloud-based platform

DATA

Microsoft Azure

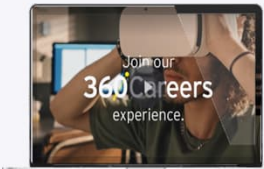


Global Assurance AI framework

SKILLS



Frontier Firm by Harvard



EY 360 Careers

ALLIANCES

120+ alliance partners

Value creation through AI and technology



MULTI-AGENT AI FRAMEWORK

Network of agentic AI agents performs key audit tasks with humans in the loop. Examples include:

Capabilities	What it does	Benefits for you
Task and workflow orchestration	<ul style="list-style-type: none"> Agents assign work, manage tasks and track completion. 	<ul style="list-style-type: none"> Earlier execution, clearer accountability
Cross-workpaper review	<ul style="list-style-type: none"> Agents review documentation across files to flag inconsistencies and exceptions. 	<ul style="list-style-type: none"> Improved consistency and faster review
Test of details *	<ul style="list-style-type: none"> Agents support routine testing, targeted release for expenses and prepaids. 	<ul style="list-style-type: none"> Scalable testing with human oversight

* Targeted, phased releases.

Key ● Integrated platforms ● AI and automation ● + Agentic AI ● Expanded Assurance

2025 EY Peer Review Report

GRANT THORNTON LLP

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REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 24, 2025

To the Partners of Ernst & Young LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2025. 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. 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; an audit 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 Ernst & Young LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2025, 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*. Ernst & Young LLP has received a peer review rating of *pass*.

Grant Thornton LLP

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

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Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

About EY's Assurance Services

Our assurance services help our clients meet their reporting requirements by providing an objective and independent examination of the financial statements that are provided to investors and other stakeholders. Throughout the audit process, our teams provide a timely and constructive challenge to management on accounting and reporting matters and a robust and clear perspective to audit committees charged with oversight.

The quality of our audits starts with our 90,000 assurance professionals, who have the breadth of experience and ongoing professional development that come from auditing many of the world's leading companies.

For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

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Internal Audit Update

Internal Audit Plan Status

FY26 Internal Audits Completed

Project Name	Scope/Objective	Date Report Issued	Consultant Assisting IA	Observations
Physical Safety and Security	To assess the adequacy and effectiveness of controls in place to safeguard select high-risk physical assets as well as the public utilizing these assets.	5/21/2026	Deloitte	3 Medium 3 Low
Emergency Response and Communication Protocol Assessment	To evaluate NYCEDC's emergency response and communication program and capabilities against national standards and leading practices.	5/7/2026	Deloitte	10 Unrated
Trust for Cultural Resources of the City of New York Internal Controls Review	To assess the effectiveness of internal controls implemented by the NYCEDC Accounting Department related to the agreement with TCR for the period January 1, 2025, to December 31, 2025.	4/22/2026	N/A	None

FY25 Internal Audit Completed

Project Name	Scope/Objective	Date Report Issued	Consultant Assisting IA	Observations
Skanska Labor Rate Analysis	To perform an analysis of Skanska's construction management labor charged for projects on two Construction Management consultant contracts for the provision of construction management services to the Asset Management Design & Construction department.	5/28/2026	CohnReznick	3 High 3 Medium 1 Low

FY26 Internal Audit Plan Ongoing Projects

Project Name	Plan Start Date	Actual Start Date	Expected End Date	Revised End Date	Notes
Capital Project Performance Internal Audit	February 2026	02/13/2026	May 2026	July/August 2026	In Reporting Phase: Draft observations have been shared with key business stakeholders. The internal audit report has been drafted and will be shared with the business by the end of June.
Information Technology General Controls Internal Audit	March 2026	03/23/2026	June 2026	July/August 2026	In Reporting Phase: Draft observations have been shared with key business stakeholders. The internal audit report is being drafted and will be shared with the business by the end of June.

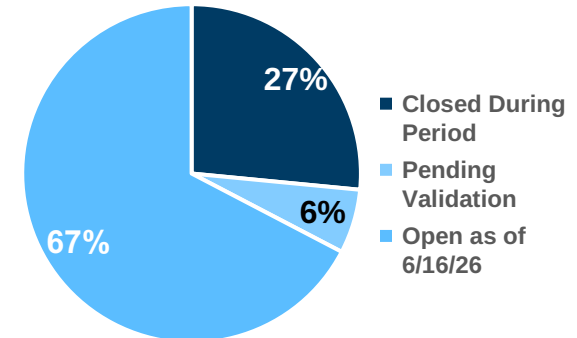
Status of Open Issues

Since the February Audit Committee meeting, Internal Audit worked with relevant stakeholders to address open audit issues.

Notes and Accomplishments

- ✓ Met with departments with open issues to validate issue remediation
 - ✓ Asset Management
 - ✓ Corporate Services
 - ✓ MIS
 - ✓ Ferries
 - ✓ President's Office
- ✓ Closed out approximately 27% of open issues
- ✓ Of the remaining 33 open issues, 9 are rated high risk, 10 medium risk, 3 low risk and 10 are unrated
- ✓ Approximately 40% of the open issues are within Asset Management
- ✓ Issues categorized into 3 buckets: Open, Pending Validation, Closed
 - ✓ Pending Validation: Department has indicated that the issue is addressed. Next step is for Internal Audit to validate and close.
- ✓ Most remaining open issues are expected to be resolved within the next 3 - 12 months

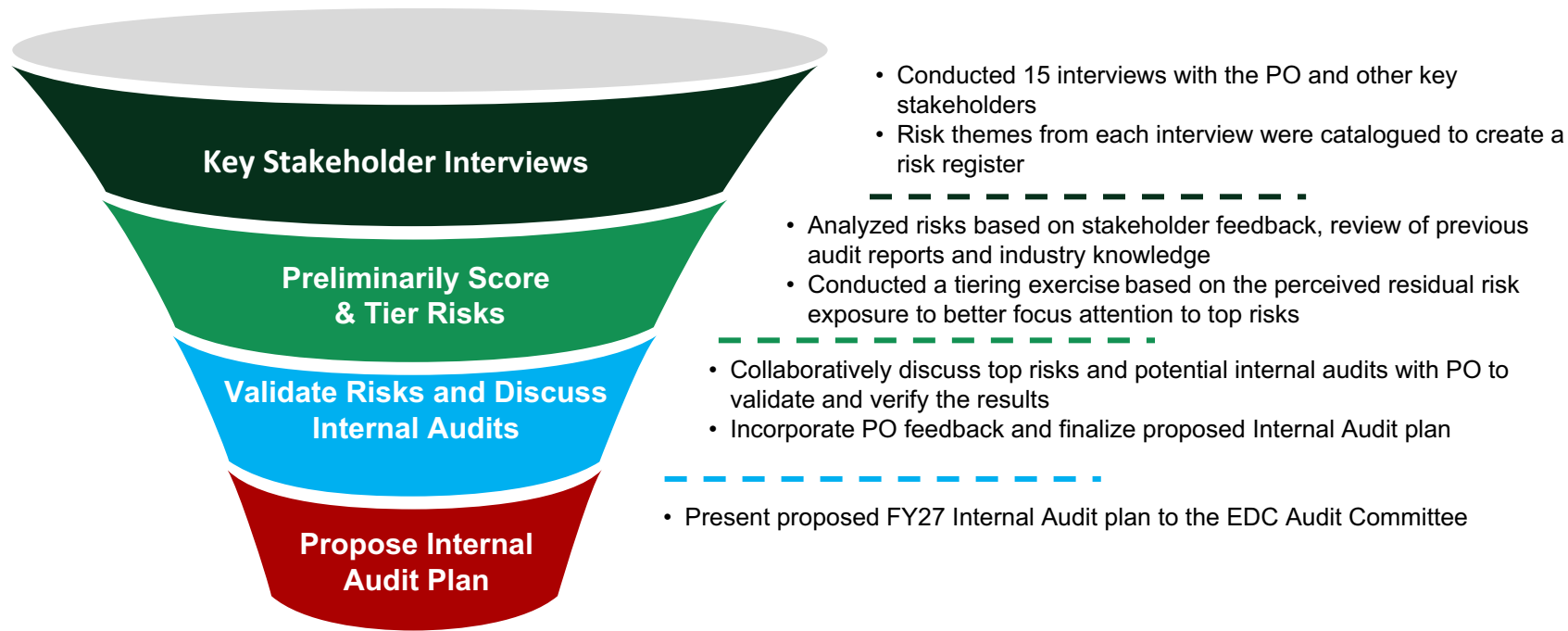
Issue Status as of 6/16/26



Status	#
Open as of 2/3/26	26
Added During Period	23
Closed During Period	13
Pending Validation	3
Open as of 6/16/26	33

Proposed FY27 Internal Audit Plan

The annual risk assessment process used a risk-based approach, outlined below, focusing on identifying the top risks of EDC and ultimately informing the development of the proposed FY27 Internal Audit Plan.



Proposed FY27 Internal Audit Plan

IA Project Types

The following includes the definition of the classifications for Internal Audit projects. The variety of projects allows Internal Audit to be a partner with management to help manage and address risks.

INTERNAL AUDIT

An internal audit measures the current state and compares it against a specific standard. An internal audit is an objective assessment of assurance that EDC's internal control processes are operating effectively.

ASSESSMENT

Assessments may include a wider reach and than a traditional internal audit and provides management a snapshot of the current reality and may include recommendations to strengthen the organization's risk management and control processes.

ADVISORY REVIEW

Advisory reviews and projects that are more consultative in nature and are more focused on future state recommendations.

Proposed FY27 Internal Audit Plan

Based on the results of the risk assessment, the following internal audits are proposed for the FY27 Internal Audit Plan:

IA Project	Potential Scope	Key Departments Impacted
HR and Payroll Assessment	Assess EDC's HR function by reviewing its policies, procedures, and organizational structure, including its interface with Payroll, and documentation of key process workflows. Assess the application of a sample of policies and procedures.	<ul style="list-style-type: none"> • Human Resources • Payroll
IT Governance Internal Audit	Assess the effectiveness of IT governance, including decision-making structures, policies, and oversight processes to ensure technology risks are appropriately identified and managed and that MIS supports business priorities. The audit will focus on governance frameworks, cybersecurity and data protection practices, management of shadow IT, and alignment between business needs and technology capabilities.	<ul style="list-style-type: none"> • MIS
Funding Requests and At-Risk and Fronted Payments Internal Audit	Assess the effectiveness of NYCEDC's execution and oversight of requesting NYC OMB funding and at-risk and fronted payment activities, including compliance with policies, clarity of roles, stakeholder communication, prioritization, timeliness, and the impact on project delivery. The audit will evaluate whether at-risk exposure, reimbursement timing, and financial risk are effectively tracked and managed.	<ul style="list-style-type: none"> • Budget • Asset Management • Capital Program • Finance
AMDC and Capital Program Operational Effectiveness Advisory Review	Assess whether Asset Management Design & Construction (AMDC) and the Capital Program are governed and structured effectively. The review will identify opportunities to improve clarity, consistency, and overall effectiveness of the delivery model, including areas where fragmented or siloed processes may impact execution outcomes.	<ul style="list-style-type: none"> • AMDC • Capital Program

Session with External Auditors

Session with Internal Audit Management

Session with Management

Any Other Business
