Please refer to page 73 Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.

Financial Statements, Required Supplementary Information, and Supplementary Information

Years Ended June 30, 2026 and 2025 With Reports of Independent Auditors

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Financial Statements, Required Supplementary Information,
and Supplementary Information

Years Ended June 30, 2026 and 2025

Contents

I. Introductory Section

Introductory Letter 1

II. Financial Section

Report of Independent Auditors 2

Financial Statements

Management's Discussion and Analysis 6
Statements of Net Position 16
Statements of Revenues, Expenses, and Changes in Net Position 18
Statements of Cash Flows 19
Statements of Fiduciary Net Position 21
Statements of Changes in Fiduciary Net Position 22
Notes to Financial Statements 23

Required Supplementary Information

Schedule of Changes in Net OPEB Liability 68
Schedule of OPEB Contributions 70
Schedule of Investment Returns 71

Supplementary Information

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 72

III. Government Auditing Standards Section

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 73

I. Introductory Section

September 30, 2026

To the Members of the Board:

To follow are the audited financial statements of NYCEDC for the fiscal year ending June 30, 2026, with comparison to our financial position at the close of fiscal year ending June 30, 2025.

This report reflects NYCEDC's focus to ensure the financial position needed to support our mission to create a vibrant, inclusive, and globally competitive economy for all New Yorkers. The attached financial statements reflect the overall financial health of the Corporation even while absorbing a $15.9 million decrease in net position for the fiscal year. This decrease was driven by significant increases in our project and programmatic expenses, as well as increased discretionary spending on managed properties. NYCEDC's substantial net position allows us to continue investing in the strategic priorities that will have an enduring impact on the economic foundation of NYC and provide equitable and inclusive opportunities for New Yorkers.

In our work to strengthen economic confidence in NYC, a major focus in FY26 was our effort to prepare the New York/New Jersey area to host and promote the FIFA World Cup 2026, as well as to have our region selected to host the final match of the tournament—a major generator of economic impact. To grow innovation sectors, focusing on equity, our first Economic Mobility Networks and a Workforce Development Fund got underway through partnerships with local nonprofits to connect New Yorkers to jobs in fast-growing sectors. And we continued to create opportunity for underrepresented New Yorkers through the LifeSci NYC and Venture Access NYC programs, and new Startup and Venture Capital Internship programs. In our work building neighborhoods where people live, learn, work, and play, we made great progress on the Willets Point transformation with the opening of over 800 affordable homes, and on construction at Stapleton and Tompkinsville along the North Shore of Staten Island. We also celebrated the reopening of the reconstructed Orchard Beach Pavilion in the Bronx. Finally, we have continued to deliver sustainable infrastructure, including a master plan for the future of the Manhattan Cruise Terminal and expansion of shore power at the Brooklyn Cruise Terminal, the completion of phase 1 of the Battery Coastal Resilience Project, progress along the Manhattan Greenway, and ongoing efforts to make NYC Ferry more financially and environmentally sustainable.

I look forward to discussions and feedback about the fiscal year 2026 results reflected in EDC's financial statements as we continue to connect our financial management to our projects and work to deliver a meaningful economic impact for New York City.

Sincerely,

Anthony Shorris

II. Financial Section

Ernst & Young LLP
One Manhattan West
New York, NY 10001

Tel: +1 212 773 0000
ey.com

Shape the future
with confidence

Report of Independent Auditors

The Management and the Board of Directors
New York City Economic Development Corporation

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the New York City Economic Development Corporation (the Corporation), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents (collectively referred to as the "basic financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities, of the Corporation at June 30, 2026 and 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the 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 opinions.

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 of 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 the Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Shape the future
with confidence

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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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. 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 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 GAAS and *Government 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 the 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 the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net OPEB liability, the schedule of OPEB contributions and the schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The combining statement of revenues, expenses and changes in fund net position, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statement of revenues, expenses and changes in fund net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and

the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Ernst + Young LLP

September 30, 2026

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2026 and 2025

Overview of the Financial Statements

This annual financial report consists of four parts: management's discussion and analysis (this section), basic financial statements which include footnote disclosures, required supplementary information, and supplementary information. The New York City Economic Development Corporation (NYCEDC or the Corporation) is organized under the not-for-profit corporation law of The State of New York. NYCEDC is also a discretely presented component unit of The City of New York (The City). NYCEDC is The City's primary engine for economic development and is charged with fostering a vibrant, inclusive, and globally competitive economy for all New Yorkers. Through its various divisions, NYCEDC seeks to strengthen confidence in The City; grow innovative sectors with a focus on equity; build neighborhoods, and deliver sustainable infrastructure. In order for NYCEDC to provide these services, the Corporation primarily generates revenues from property rentals and real estate sales, in addition to deploying City resources.

While detailed sub-fund information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that NYCEDC is properly executing on its contractual obligations.

This section of the Corporation's annual financial report presents our discussion and analysis of NYCEDC's financial performance during the fiscal year ended June 30, 2026. Please read it in conjunction with the financial statements and accompanying notes.

NYCEDC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Corporation.

Financial Summary

Condensed Statements of Net Position

The following table summarizes NYCEDC's financial position at June 30, 2026, 2025 and 2024 (dollars in thousands) and the percentage changes between June 30, 2026, 2025 and 2024:

	2026	2025	2024	% Change 2026 – 2025	% Change 2025 – 2024
Current assets	**$ 863,230**	$ 753,560	$ 879,910	15%	(14)%
Non-current assets	**2,856,151**	2,924,716	3,109,482	(2)%	(6)%
Total assets	**3,719,381**	3,678,276	3,989,392	1%	(8)%
Deferred outflows of resources	**3,920**	3,983	6,316	(2)%	(37)%
Current liabilities	**404,643**	318,214	377,854	27%	(16)%
Non-current liabilities	**499,901**	513,245	548,245	(3)%	(6)%
Total liabilities	**904,544**	831,459	926,099	9%	(10)%
Deferred inflows of resources	**2,120,808**	2,136,879	2,357,250	(1)%	(9)%
Net position:					
Restricted	**138,456**	162,034	163,674	(15)%	(1)%
Unrestricted	**367,759**	347,943	331,102	6%	5%
Net investment in capital assets	**191,734**	203,944	217,583	(6)%	(6)%
Total net position	**$ 697,949**	$ 713,921	$ 712,359	(2)%	–%

Financial Summary (continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes NYCEDC's change in net position for the fiscal years ended June 30, 2026, 2025 and 2024 (dollars in thousands) and the percentage changes between fiscal years 2026, 2025 and 2024:

	2026	2025*	2024*	% Change 2026–2025	% Change 2025–2024
Operating revenues:					
Grants	**$ 830,736**	$ 822,380	$ 917,543	1%	(10)%
Property rentals and lease revenues and real estate sales	**256,258**	227,153	249,697	13%	(9)%
Fees and other income	**63,761**	53,071	40,250	20%	32%
Total operating revenues	**1,150,755**	1,102,604	1,207,490	4%	(9)%
Operating expenses:					
Project and program costs	**856,481**	827,786	921,792	3%	(10)%
Property rentals and related operating expenses	**134,151**	123,142	100,793	9%	22%
Ferry related expenses, net	**54,189**	52,905	55,196	2%	(4)%
Personnel services	**99,855**	86,135	84,467	16%	2%
Contract and other expenses to The City	**38,940**	28,441	27,277	37%	4%
Other expenses	**46,601**	55,216	50,828	(16)%	9%
Total operating expenses	**1,230,217**	1,173,625	1,240,353	5%	(5)%
Operating loss	**(79,462)**	(71,021)	(32,863)	12%	>100%
Total non-operating income, net	**63,490**	72,583	70,523	(13)%	3%
Change in net position	**(15,972)**	1,562	37,660	(>100)%	(96)%
Total net position, beginning of fiscal year	**713,921**	712,359	674,699	–%	6%
Total net position, end of fiscal year	**$ 697,949**	$ 713,921	$ 712,359	(2)%	–%

**Amounts reflect the adoption of GASB Statement No. 103, Financial Reporting Model Improvements, which resulted in certain reclassifications. See Note 2.*

Detailed Analysis

Financial Position

Fiscal Year 2026 Activities

The Corporation's total assets at June 30, 2026 increased by $41.1 million or 1%, as compared to fiscal year ended 2025. Cash, cash equivalents, and investments decreased by $19.3 million, primarily due to a $9.5 million investment in the NYC Catalyst Fund, which are recorded as other assets on NYCEDC's statement of net position, and payments totaling $5.0 million for the redevelopment and planning costs related to the Brooklyn Marine Terminal. Amounts due from The City, net, increased by $83.5 million, due to pending reimbursements to NYCEDC for project and program costs incurred for the Brooklyn Marine Terminal, Manhattan Greenway, Lower Manhattan Coastal Resiliency, and the Brooklyn Army Terminal. Capital assets, net, decreased by $12.7 million, primarily due to $15.4 million in depreciation expenses, partially offset by $2.7 million in leasehold improvements at Staten Island Ballpark. Right to use lease assets, net, decreased by $9.9 million, due to amortization expenses of $10.6 million. Tenant and lease receivables decreased $15.2 million primarily due to the early termination of the Gansevoort Market, Inc. lease.

The Corporation's total liabilities increased by $73.1 million or 9% as compared to fiscal year ended 2025. Accounts payable and accrued expenses increased by $76.9 million, primarily due to the timing of payments made for projects and programs conducted on behalf of The City as mentioned above. Lease liabilities decreased by $10.4 million, mainly due to lease payments made for NYCEDC's headquarters at One Liberty Plaza.

Deferred inflows of resources decreased by $16.1 million or 1%, primarily due to the early termination of the Gansevoort Market, Inc. lease.

The Corporation's overall net position during fiscal year 2026 decreased by $16.0 million, or 2%, due to the fiscal year operating and non-operating activities. This decrease consisted of a $19.8 million increase in unrestricted net position, offset by a $23.6 million decrease in restricted net position, and a $12.2 million reduction in net investment in capital assets.

Detailed Analysis (continued)

Fiscal Year 2025 Activities

The Corporation's total assets at June 30, 2025 decreased by $311.1 million or 8%, as compared to fiscal year ended 2024. Cash, cash equivalents, and investments decreased by $26.6 million, largely reflecting payments made from NYCEDC's restricted funds for several projects. These payments included $6.7 million for redevelopment and planning costs for the Red Hook Container Terminal at the Brooklyn Marine Terminal, $5.9 million for the SBS managed Enhanced Construction Financing Loan Fund, and $4.6 million for The High Line. Amounts due from The City, net, decreased by $29.3 million, due to the timing of reimbursements made to NYCEDC for project and program costs incurred. Loan and mortgage receivables decreased by $7.2 million, primarily due to the establishment of a $7.0 million loan reserve for a loan related to a project in Staten Island. Leases receivable decreased $238.1 million mainly due to the sale of property located at 5 Times Square and the termination of the associated lease agreement.

The Corporation's total liabilities decreased by $94.6 million or 10%. Accounts payable and accrued expenses decreased by $56.8 million, primarily due to the timing of payments made for programs conducted on behalf of The City. Unearned revenue decreased $26.7 million, primarily due to costs incurred on several projects including the Red Hook Container Terminal, the Enhanced Construction Financing Loan Fund and The High Line, where advanced funding was received in prior years. Retainage payable decreased by $10.7 million, consistent with several construction projects nearing completion, including Coney Island Hospital whereby $6.6 million of retainage was released in fiscal year 2025. The decreases in liabilities were offset by an increase in tenant security and deposits payable of $9.5 million, mainly due to deposits received into escrow from Con Edison for the Water Street streetscape improvement project.

Deferred inflows of resources decreased by $220.4 million or 9% with the aforementioned termination of the 5 Times Square lease agreement.

The Corporation's overall net position during fiscal year 2025 increased by $1.6 million, or 0%, as a result of the fiscal year operating and non-operating activities. This increase consisted of a $16.8 million increase in unrestricted net position, offset by a $1.6 million decrease in restricted net position, and a $13.6 million reduction in net investment in capital assets.

Detailed Analysis (continued)

Results of Operations

Fiscal Year 2026 Activities

During the fiscal year ended 2026, operating revenues increased by $48.2 million, or 4%. The increase was primarily driven by an $8.3 million increase in reimbursable grants, a $28.5 million increase in property rentals and lease revenues, and a $10.7 million increase in fee and other income. The increase in reimbursable grants was primarily due to costs incurred for the following programs and projects administered on behalf of The City: $26.2 million for the 2026 FIFA World Cup, $86.6 million for the Willets Point redevelopment, and $26.1 million for the Wildlife Conservation Society. These increases were offset by lower expenses for several projects, including reductions of $75.5 million for the DOH Public Health Lab, $14.3 million for the New York Public Library, and $5 million in reimbursements from The City for other operating costs. Property rental, lease, and interest revenues increased largely due to higher revenue from the 42DP properties and the Brooklyn Marine Terminal, which generated an additional $3.8 million and $4.9 million, respectively, compared with the prior year. Fee and other income increased by $10.7 million, mainly due to administrative fees received under pre-development agreements for projects located at Willets Point ($7 million) and 100 Gold Street ($2.5 million).

Operating expenses during the fiscal year ended 2026 increased by $56.6 million or 5%. The increase was primarily driven by a $28.7 million increase to project and program costs, $11.0 million increase in property rentals and related expenses, $13.7 million increase in personnel services, $10.5 million increase to contract and other expenses to the City, offset by a decrease in other expenses by $8.6 million. Project and program costs increased primarily due to costs associated with the aforementioned reimbursable projects and an increase of $6.9 million in NYCEDC-funded expenses incurred for the Brooklyn Marine Terminal. Property rentals and related expenses increased by $11.0 million primarily due to an increase in repairs and maintenance costs of $11.8 million, which includes $2.6 million incurred for the Staten Island Ballpark. Personnel services increased by $13.7 million, primarily due to rising fringe and medical rates driving an increase of $3.7 million, merit increases of $3.9 million, and a one-time accounting gain recognized in the prior year of $4.7 million resulting from changes in actuarial assumptions on NYCEDC's OPEB liability valuation. Contract and other expenses to the City increased by $10.5 million largely due to a $6.0 million payment to The City for the sale of the JFK North property located in the borough of Queens. Other expenses decreased by $8.9 million primarily due to a one-time $7.0 million loan reserve established in the prior year for a project located in Staten Island.

Detailed Analysis (continued)

Accordingly, operating income decreased by $8.4 million as compared to fiscal year 2025, with the Corporation recognizing a net operating loss of $79.5 million during fiscal year 2026.

Total non-operating revenues for fiscal years ended 2026 and 2025 totaled $63.5 million and $72.6 million, respectively. The fiscal year 2026 total was primarily made up of $47.3 million of interest revenues, net earned on leases. Additionally, the Corporation recognized $18.4 million of investment income during fiscal year 2026.

The Corporation's net operating loss of $79.5 million and non-operating revenue of $63.5 million, resulted in a decrease in net position of $16.0 million during fiscal year 2026. This constitutes a decrease of $17.5 million or greater than 100% as compared with the change in fiscal year 2025.

Fiscal Year 2025 Activities

During fiscal year ended 2025, operating revenues decreased by $104.9 million, or 9%. The decrease in operating revenues is largely due to a $95.2 million decrease in reimbursable grants. NYCEDC incurred lower program costs for several construction projects as compared to prior year, including reductions of expenses incurred on behalf of the New York Public Library of $52.1 million, New York City Health and Hospitals Corporation (HHC) of $30.8 million, and the Museum of Chinese in America of $39.4 million. These decreases were partially offset by costs incurred for the DOH Public Health Lab of $148.2 million, Manhattan Greenway of $60.4 million and the Lower Manhattan Coastal Resiliency project of $54.9 million. Property rental and lease revenue decreased by $30.5 million, largely due to a one-time accounting gain recognized in the prior year of $30.9 million resulting from the effective termination of leases located at Howland Hook and Pier 11/12, which were replaced by the larger net lease entered into with the Port Authority for the Brooklyn Marine Terminal. Other income increased by $10.5 million primarily due to a $5 million payment for a conversion option exercised at 5 Times Square.

Detailed Analysis (continued)

Operating expenses during the fiscal year ended 2025 decreased by $66.7 million or 5%. Reimbursable program costs decreased $112.3 million primarily due to lower costs incurred for the aforementioned capital projects for the New York Public Library, HHC, and the Museum of Chinese in America. These reductions were offset by increases in reimbursable project costs of $18.3 million, including $6.0 million incurred for the 2026 World Cup. Additionally, property rentals and related expenses increased by $22.4 million primarily due to $4.4 million for the planned redevelopment of the Hunts Point Produce Market, $5.6 million of professional services at the Brooklyn Marine Terminal and higher insurance costs of $2.7 million across NYCEDC's properties. Other general expenses increased by $7.0 million due to establishment of a loan reserve for a loan related to a project in Staten Island.

Accordingly, operating income decreased by $38.2 million as compared to fiscal year 2024, with the Corporation recognizing a net operating loss of $71.0 million during fiscal year 2025.

Total non-operating revenues for fiscal years ended 2025 and 2024 totaled $72.6 million and $70.5 million, respectively. The fiscal year 2025 total was primarily made up of $54.0 million of interest revenues earned on leases. Additionally, the Corporation recognized $21.7 million of investment income during fiscal year 2025.

The Corporation's net operating loss of $71.0 million and non-operating revenue of $72.6 million, resulted in an increase in net position of $1.6 million during fiscal year 2025. This constitutes a decrease of $36.1 million or 96% as compared with the change in fiscal year 2024.

Significant Capital and Right to Use Assets Activity

The following table summarizes NYCEDC's capital and right to use lease assets for the fiscal years ended June 30, 2026 and 2025, (dollars in thousands) and the percentage change between June 30, 2026 and 2025:

	2026	2025	% Change 2026–2025
Capital assets			
Leasehold improvements	**$ 94,990**	$ 92,247	3%
Equipment and computer software	**20,499**	19,749	4%
Vessels	**233,045**	239,045	(3)%
Work-in progress – other	**100**	119	(16)%
	348,634	351,160	(1)%
Less accumulated depreciation and amortization	**(118,591)**	(108,403)	9%
Net capital assets	**$ 230,043**	$ 242,757	(5)%
Right to use lease assets			
Vehicles and equipment	**$ 2,334**	$ 1,596	46%
Office space	**181,737**	181,737	–%
	184,071	183,333	–%
Less accumulated depreciation and amortization	**(52,064)**	(41,451)	26%
Net right to use lease assets	**$ 132,007**	$ 141,882	(7)%

Overall, the carrying value of capital assets – original cost minus accumulated depreciation – decreased by $12.7 million or 5%. The carrying value of right to use lease assets decreased by $9.9 million or 7%. The decreases in the carrying value of capital and right to use assets are primarily attributable to capital asset depreciation expense of $15.4 million and right to use lease asset amortization expense of $10.6 million. Additional information about NYCEDC's capital and right to use lease assets are presented in Note 9 to the financial statements.

Currently Known Facts, Decisions, or Conditions

Currently, management does not foresee any negative impacts on the Corporation's financial position or operations. As of the financial statement issuance date, the Corporation's operations are stable with no anticipated material changes. Management will monitor economic conditions, regulatory developments, and operational factors, disclosing any significant issues in future reports if they arise.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Net Position
(In Thousands)

	June 30 2026	June 30 2025
Assets		
Current assets:		
Cash and cash equivalents	**$ 106,110**	$ 68,666
Restricted cash and cash equivalents	**102,461**	106,525
Unrestricted investments	**37,677**	56,584
Restricted investments	**34,129**	28,587
Current portion of loans and mortgage notes receivable	**160**	650
Due from The City, including $321,200 and $230,643 under contracts with The City, respectively	**365,259**	275,007
Tenant receivables, net of allowance for uncollectible amounts of $45,231 and $47,039, respectively	**28,155**	25,019
Current portion of leases receivable	**160,502**	168,987
Prepaid expenses and other current assets	**4,417**	2,492
Other receivables	**24,360**	21,043
Total current assets	**863,230**	753,560
Non-current assets:		
Restricted cash and cash equivalents	**204,833**	201,162
Unrestricted investments	**86,203**	116,106
Restricted investments	**24,094**	37,153
Loans and mortgage notes receivable, less current portion (less allowance for loan losses of $1,938 and $9,339), respectively	**8,978**	8,648
Leases receivable, less current portion	**1,997,569**	2,007,422
Right to use lease assets, net	**132,007**	141,882
Capital assets, net	**230,043**	242,757
Net OPEB asset	**5,752**	6,413
Land held for development, at cost	**132,387**	132,387
Other assets	**34,285**	30,786
Total non-current assets	**2,856,151**	2,924,716
Total assets	**3,719,381**	3,678,276
Deferred outflows of resources		
Deferred outflows of resources – OPEB	**3,920**	3,764
Accumulated decrease in fair value of hedging derivatives	**–**	219
Total deferred outflows of resources	**3,920**	3,983

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Net Position (continued)
(In Thousands)

	June 30 2026	June 30 2025
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses, including $182,069 and $130,321, respectively, under contracts with The City	**$ 315,773**	$ 238,825
Current portion of lease liabilities	**13,461**	13,286
Deposits received on pending sales of real estate	**8,455**	7,432
Due to The City: real estate obligations and other	**23,844**	17,080
Unearned revenue	**38,979**	37,134
Other liabilities	**4,131**	4,457
Total current liabilities	**404,643**	318,214
Non-current liabilities:		
Tenant security and escrow deposits payable	**66,274**	69,674
Due to The City: real estate obligations	**125,021**	125,021
Lease liabilities, less current portion	**156,855**	167,409
Unearned revenue, including unearned grant revenue of $5,166 and $5,044, respectively, under contracts with The City	**69,745**	66,936
Retainage payable	**80,241**	82,860
Other liabilities	**1,765**	1,345
Total non-current liabilities	**499,901**	513,245
Total liabilities	**904,544**	831,459
Deferred inflows of resources		
Deferred inflows of resources – leases	**2,113,387**	2,131,996
Deferred inflows of resources – OPEB	**4,496**	4,883
Accumulated increase in fair value of hedging derivatives	**2,925**	–
Total deferred inflows of resources	**2,120,808**	2,136,879
Net position		
Restricted by law or under various agreements	**138,456**	162,034
Unrestricted	**367,759**	347,943
Net investment in capital assets	**191,734**	203,944
Total net position	**$ 697,949**	$ 713,921

See accompanying notes.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	Year Ended June 30	
	2026	**2025***
Operating revenues:		
Grants	**$ 830,736**	$ 822,380
Property rentals and lease revenues	**247,667**	219,153
Real estate sales	**8,591**	8,000
Fee income	**21,579**	13,447
Other income	**42,182**	39,624
Total operating revenues	**1,150,755**	1,102,604
Operating expenses:		
Project costs	**145,827**	130,800
Program costs	**710,654**	696,986
Property rentals and related operating expenses	**134,151**	123,142
Ferry related expenses, net	**54,189**	52,905
Personnel services	**99,855**	86,135
Contract and other expenses to The City	**38,940**	28,441
Depreciation and amortization	**25,937**	25,698
Other general expenses	**20,664**	29,518
Total operating expenses	**1,230,217**	1,173,625
Operating loss	**(79,462)**	(71,021)
Non-operating revenues (expenses):		
Income from investments	**18,421**	21,659
Interest revenue – leases	**49,558**	54,030
Interest expense – leases	**(2,284)**	(2,390)
Other non-operating expenses	**(2,205)**	(716)
Total non-operating revenues, net	**63,490**	72,583
Change in net position	**(15,972)**	1,562
Net position, beginning of fiscal year	**713,921**	712,359
Net position, end of fiscal year	**$ 697,949**	$ 713,921

See accompanying notes.

**Amounts reflect the adoption of GASB Statement No. 103, Financial Reporting Model Improvements, which resulted in certain reclassifications. See Note 2.*

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Cash Flows
(In Thousands)

	Year Ended June 30 2026	2025*
Operating activities		
Property rentals and related leasing revenue	**$ 238,182**	$ 215,991
Grants from The City	**741,555**	830,312
Real estate sales	**7,978**	8,000
Fee income	**21,577**	13,445
Other income	**42,643**	38,726
Project costs	**(140,515)**	(137,412)
Program costs	**(662,098)**	(759,597)
Property rentals and related operating expenses	**(123,307)**	(116,826)
Ferry expenses	**(50,499)**	(53,329)
Personnel services	**(99,230)**	(87,684)
Office rent	**(10,496)**	(10,514)
Contract and other payments to The City	**(29,021)**	(28,394)
Other general and administrative expenses	**(12,240)**	(12,579)
Repayments of loans and mortgage receivable	**160**	4,061
Tenant security and escrow deposits	**(3,400)**	9,520
Other	**(701)**	(8,403)
Net cash used in operating activities	**(79,412)**	(94,683)
Noncapital financing activities		
Interest revenue – leases	**49,558**	54,030
Interest expense – leases	**(2,284)**	(2,390)
Net cash provided by noncapital financing activities	**47,274**	51,640
Capital and related financing activities		
Purchase of capital assets	**(4,656)**	(1,092)
Net cash used in capital and related financing activities	**(4,656)**	(1,092)
Investing activities		
Maturity or sale of investments	**259,525**	162,347
Purchases of investments	**(185,680)**	(170,394)
Net cash provided by (used in) investing activities	**73,845**	(8,047)
Net increase (decrease) in cash and cash equivalents	**37,051**	(52,182)
Cash and cash equivalents, beginning of fiscal year	**376,353**	428,535
Cash and cash equivalents, end of fiscal year	**$ 413,404**	$ 376,353

** Amounts reflect the adoption of GASB Statement No. 103, Financial Reporting Model Improvements, which resulted in certain reclassifications. See Note 2.*

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30 2026	2025
Reconciliation of operating loss to net cash (used in) provided by operating activities		
Operating loss	**$ (79,462)**	$ (71,021)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	**25,937**	25,698
Provision for bad debts	**7,380**	17,160
Other	**4,138**	(3,105)
Changes in operating assets, liabilities and deferred inflow/outflow of resources:		
Due to/from The City	**(83,488)**	29,342
Other non-current assets	**(3,500)**	(5,799)
Tenant and lease receivables	**(11,283)**	(14,099)
Prepaid expenses and other receivables	**(2,475)**	1,006
Loans and mortgage notes receivable	**160**	160
Tenant security and escrow deposits payable	**(3,400)**	9,520
Accounts payable and accrued expenses	**77,493**	(46,046)
Lease liabilities	**(10,379)**	(10,392)
Deposits received on pending sales of real estate	**613**	1,900
Net OPEB liability	**(661)**	6,098
Unearned grant revenue	**4,699**	(26,655)
Deferred inflows of resources	**(2,601)**	1,996
Retainage payable	**(2,619)**	(10,698)
Other current liabilities	**(169)**	844
Other non-current liabilities	**205**	(592)
Net cash used in operating activities	**$ (79,412)**	$ (94,683)
Supplemental disclosures of noncash activities		
Unrealized gain on investments	**$ 903**	$ 4,091

See accompanying notes.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Fiduciary Net Position
(In Thousands)

	SSSM Sustainability Fund	OPEB Trust	June 30 2026	June 30 2025
Assets				
Cash and cash equivalents	$ 2,119	$ 70	**$ 2,189**	$ 2,212
Investments	40,813	24,179	**64,992**	58,766
Prepaid insurance premium	–	31	**31**	26
Accrued interest receivable	173	–	**173**	246
Total assets	43,105	24,280	**67,385**	61,250
Liabilities				
Accrued expenses	25	71	**96**	54
Due to NYCEDC	–	3	**3**	2
Total liabilities	25	74	**99**	56
Net position – restricted	$ 43,080	$ 24,206	**$ 67,286**	$ 61,194

See accompanying notes.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Statements of Changes in Fiduciary Net Position
(In Thousands)

	SSSM Sustainability Fund	OPEB Trust	Year Ended June 30 2026	2025
Additions				
Contributions	$ –	$ –	**$ –**	$ 40,000
Interest and dividends	1,312	887	**2,199**	1,846
Net increase in fair value of investments	4,615	1,568	**6,183**	2,328
Other	–	–	**–**	619
Total additions	5,927	2,455	**8,382**	44,793
Deductions				
Benefit payments	–	566	**566**	351
Funding agreement distributions	1,424	–	**1,424**	3,998
Administrative expenses	172	128	**300**	201
Total deductions	1,596	694	**2,290**	4,550
Net increase in fiduciary net position	4,331	1,761	**6,092**	40,243
Net position – restricted				
Beginning of fiscal year	38,749	22,445	**61,194**	20,951
End of fiscal year	$ 43,080	$ 24,206	**$ 67,286**	$ 61,194

See accompanying notes.

1. Background and Organization

The accompanying financial statements include the assets, liabilities, net position and the financial activities of the New York City Economic Development Corporation (NYCEDC or the Corporation) and its blended component units (Note 17).

NYCEDC is a not-for-profit corporation organized under the New York State Not-for-Profit Corporation Law (the NPCL) that generates income that is exempt from federal taxation under section 115 of the Internal Revenue Code (IRC). NYCEDC's primary activities consist of rendering a variety of services to administer certain economic development programs on behalf of The City of New York (The City) relating to the attraction, retention and expansion of commerce and industry in The City. These services and programs include encouragement of construction, acquisition, rehabilitation and improvement of commercial and industrial enterprises within The City, the provision of financial assistance to qualifying business enterprises as a means of helping to create and retain employment therein, managing, developing and promoting The City's waterfront, markets, aviation, freight and intermodal transportation, including the NYC Ferry system, and workforce development and recruitment programs. These services are generally provided under two annual contracts with The City: the Amended and Restated Contract (Master Contract) and the Amended and Restated Maritime Contract. The services provided under these contracts and other related agreements with The City are herein referred to as the Contract Services.

In order to provide these services, NYCEDC primarily generates revenues from property rentals and real estate sales in addition to deploying City financial resources. To present the financial position and the changes in financial position of NYCEDC's rental portfolio in a manner consistent with the limitations and restrictions placed upon the use of resources and NYCEDC's contractual agreements with The City and other third parties, NYCEDC classifies its asset management operations into the following five portfolios:

Commercial Leases Portfolio: NYCEDC manages property leases with various commercial and industrial tenants. For ground leases, these agreements include restrictions on the use of the land to the construction or development of commercial, manufacturing, industrial or residential facilities. The City-owned properties are managed by or leased to NYCEDC, which, in turn leases or subleases the properties to commercial and industrial tenants. The leases generally provide for base rent payments plus provisions for additional rent.

1. Background and Organization (continued)

Brooklyn Army Terminal Portfolio: The Brooklyn Army Terminal (BAT) is an industrial property owned by The City that is leased to NYCEDC. NYCEDC, in turn, subleases the properties to commercial and industrial tenants. Under the terms of the BAT lease, a reserve account of $500,000 was established from net BAT revenues for property operating and capital expenses.

Maritime Portfolio: This portfolio was established to account for NYCEDC's management and maintenance of wharf, waterfront, public market, public aviation, and intermodal transportation properties and the NYC Ferry system on The City's behalf pursuant to the Maritime Contract.

Other Properties Portfolio: This portfolio was established to account for the activities of certain City-owned properties and other assets for which NYCEDC assumed management responsibilities. Pursuant to various agreements between NYCEDC and The City, the net revenue from these properties is retained for property operating and capital expenses or for expenses of projects in the area.

42nd Street Development Project Portfolio: This portfolio was established as a joint effort between The City and New York State (The State) to redevelop the 42nd Street district between 7th and 8th Avenues into a vibrant office and cultural center. By October 2012, ownership of all the properties was transferred from The State to The City. NYCEDC also assumed management and administrative responsibilities for all leases in connection with the 42nd Street Development Project as governed by the Master Contract with The City.

Beginning in fiscal year 2017, to partially offset the costs to NYCEDC for establishing and operating the NYC Ferry service (Note 13), the Corporation has not been required to remit rental revenues from the 42nd Street Development Project to The City. NYCEDC, however, is required to pass through to The City, all payments in lieu of taxes and real estate taxes collected from the Project.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

NYCEDC follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. In its accounting and financial reporting, the Corporation follows the pronouncements of the Governmental Accounting Standards Board (GASB).

Recently Adopted Accounting Standards

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). The primary objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. GASB 103 also addresses certain application issues. The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025. The Corporation adopted this statement for the year ended June 30, 2026 and interest expenses on leases were reclassified from operating expenses to non-operating expenses on the Statements of Revenues, Expenses and Changes in Net Position. There was no impact on changes in net position. On the Statements of Cash Flows, interest expense on leases were reclassified from cash flows from operating activities to cash flows from noncapital financing activities.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). The primary objective of GASB 104 is to provide users of government financial statements with essential information about certain types of capital assets. GASB 104 also addresses certain application issues. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025. The adoption of this statement did not have a significant impact on the Corporation's financial statements.

In December of 2025, GASB issued Statement No. 105, *Subsequent Events* (GASB 105). The primary objective of this statement is to improve the financial reporting requirements for subsequent events. The requirements of GASB 105 are effective for fiscal years beginning after June 15, 2026. The early adoption of this statement did not have a significant impact on the Corporation's financial statements.

2. Summary of Significant Accounting Policies (continued)

Accounting for Leases

While the Corporation classifies its asset management operations into five portfolios, the Corporation evaluates whether each arrangement within each portfolio is considered a lease within the scope of GASB Statement No. 87, *Leases* (GASB 87). NYCEDC is contracted by The City to manage and maintain properties on behalf of The City, including certain City-owned properties that are leased to NYCEDC and City-owned properties that are leased to private parties. In the case of properties leased to the Corporation, NYCEDC, in turn, subleases the properties to commercial and industrial tenants.

The Corporation acts as either the property manager/lease administrator for The City or remits nominal rents to The City which are deemed non-exchange for The City-owned property. As such, there is no lessor-lessee relationship recognized in the accompanying financial statements between The City and NYCEDC. However, for those City-owned properties that are leased to NYCEDC, NYCEDC's subleases to commercial and industrial tenants are considered leases under GASB 87 and these lessor relationships are recognized as leases receivable (Note 11).

The Corporation recognizes lease receivables and deferred inflows of resources related to its lessor arrangements, as described in Note 11, as well as lease liabilities and right to use lease assets related to its various lessee arrangements as discussed in Note 12. Lease receivables and lease liabilities, as recorded in the statement of net position, are based on the present value of future payments. Within the statement of revenues, expenses and changes in net position, the right to use lease assets and deferred inflow of resources are recognized on a straight-line basis as amortization expense and lease revenues, respectively, over the life of the leases. The interest portion of cash payments received towards lease receivables and paid on lease liabilities are recognized as interest revenue and expense, respectively, based on rates implicit in the leases or the incremental borrowing rate.

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

NYCEDC distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. In accordance with GASB 103, operating revenues and expenses are all revenues and expenses other than non-operating revenues and expenses. Operating revenues and expenses generally result from providing the Contract Services to The City in connection with NYCEDC's principal ongoing operations. The principal operating revenues are grants from and through The City, rentals of City-owned property, management and other fees and sales of property (see Real Estate Sales under this Note). NYCEDC's operating expenses include project and program costs, property maintenance charges, and general administrative expenses. Non-operating revenues and expenses include investment income, interest revenue on leasing, and interest expense on leasing.

When both restricted and unrestricted resources are available for use, it is NYCEDC's policy to use restricted resources first and then unrestricted resources as needed.

Grants

NYCEDC administers certain reimbursement and other grant funds from and through The City under its contracts with The City.

A reimbursement grant is a grant awarded for a specifically defined project and is generally administered such that NYCEDC is reimbursed for any qualified expenditures associated with such projects.

NYCEDC records reimbursement grants from and through The City as revenue when the related program costs are incurred and funding is approved. Differences between the program costs incurred on specific projects and the related receipts are reflected as due from The City or as a part of unearned revenue in the accompanying statements of net position.

Other grants are recorded as revenue when earned.

2. Summary of Significant Accounting Policies (continued)

Property Rental and Lease Revenues

Property rental and lease revenues include amounts earned for additional performance or usage-based rent, other variable rents, pass-through rents and short-term lease revenue. It also includes amortization of the deferred inflows of resources recognized on a straight-line basis over the remaining term of the leases.

Real Estate Sales

Proceeds from sales of City-owned properties, other than proceeds in the form of a promissory note from the purchaser in favor of NYCEDC, are recognized as income at the time of closing of the sale. For property sales in which NYCEDC accepts a long-term promissory note from a purchaser in lieu of cash, in addition to the note receivable, the corresponding unearned revenue is recorded at the time of closing. Due to collectability risks associated with these promissory notes, such unearned revenue is amortized into income ratably as payments are made.

Deposits received from prospective purchasers prior to closing are included in the accompanying statements of net position as deposits received on pending sales of real estate.

Deferred Outflows and Inflows of Resources

The Corporation reports Deferred Outflows of Resources in the Statement of Net Position in a separate section following Assets and Deferred Inflows of Resources in a separate section following Liabilities. Changes in fair value in connection with fuel hedging for NYC Ferry are recorded as either a deferred outflow (loss) or as a deferred inflow (gain) of resources. The net differences between projected and actual earnings on OPEB plan investments, changes in assumptions for OPEB, and differences in expected and actual experience for OPEB are recorded as either a deferred outflow or as a deferred inflow of resources. The offset to leases receivable is recognized as deferred inflow of resources and is amortized on a straight-line basis over the remaining term of the leases.

Retainage Payable

Retainage payable is treated as non-current due to the long-term nature of the related contracts.

2. Summary of Significant Accounting Policies (continued)

Loans and Mortgage Notes Receivable

Loans to finance the acquisition of land and buildings are generally repayable over a 15 to 25 year period. Generally, all such loans for acquisition are secured by second mortgages or other security interests and carry below market interest rates. NYCEDC has also provided loans to City businesses to advance certain economic development objectives.

NYCEDC provides an allowance for loan losses based on an analysis of a number of factors, including the value of the related collateral. Based on established procedures, NYCEDC writes off the balances of those loans determined by management to be uncollectible.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and on hand, money market funds, money market deposit accounts, applicable certificates of deposit, and highly liquid debt instruments purchased with original maturities of three months or less. Cash equivalents are stated at fair value, other than certificates of deposit, which are valued at cost.

Investments

Investments held by NYCEDC are recorded at fair value.

Restricted Cash and Investments

Restricted cash and investments include amounts related to operations or programs administered on behalf of The City, and, accordingly, such amounts are not available for use by NYCEDC for general corporate purposes.

Capital Assets

Assets purchased for internal use by NYCEDC in excess of $10,000 are capitalized and consist primarily of vessels operating under the NYC Ferry system, leasehold improvements and equipment. Vessels are depreciated over a useful life of 25 years. Leasehold improvements are depreciated using the straight-line method over the shorter of the life of the lease or the estimated useful life assigned. Accordingly, leasehold improvements have useful lives from 7 to 20 years.

2. Summary of Significant Accounting Policies (continued)

The Corporation also uses the straight-line method for depreciating or amortizing furniture and equipment over the estimated useful life assigned. The useful life of furniture and equipment varies from five to seven years.

Disbursements made by NYCEDC on behalf of The City for, among other things, capital projects, tenant build-out reimbursements, and leasing commissions in connection with rental operations are reflected as expenses in the year they are incurred.

Right to Use Lease Assets

Right to use lease assets are recorded to offset lease liabilities and adjusted as necessary for payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives from the lessor. The Corporation uses the straight-line method for amortizing these assets over the remaining terms of the leases.

Tax Status

The currently reported income of NYCEDC qualifies for exclusion from gross income for federal income tax purposes under IRC Section 115.

Net Position

In order to present the financial condition and operating results of NYCEDC in a manner consistent with the limitations and restrictions placed upon the use of resources, NYCEDC classifies its net position into three categories: restricted net position, unrestricted net position and net investment in capital assets. The restricted net position includes net position that has been restricted in use in accordance with the terms of an award or agreement (other than the net position generally available for City program activities under the Master Contract and the Maritime Contract) or by law.

Net investment in capital assets includes capital assets net of accumulated depreciation used in NYCEDC's operations. The unrestricted net position includes all net position not included above.

The Master Contract and the Maritime Contract limit the use of all unrestricted net position to City program activities except for unrestricted net position resulting from income self-generated by NYCEDC.

2. Summary of Significant Accounting Policies (continued)

Fiduciary Fund Statements

The statements of fiduciary net position and the statements of changes in fiduciary net position provide information on the Corporation's fiduciary activities for two funds: the Other Post-Employment Benefits (OPEB) Trust Fund, which reports resources that are required to be held in trust for members and beneficiaries of the Corporation's OPEB plan and the SSSM Sustainability Fund, which reports resources held to provide a long-term source of funding for the operating expenses of the South Street Seaport Museum.

3. Contracts With The City of New York

NYCEDC Master Contract

The City and NYCEDC have entered into the Master Contract, under which the Corporation has been retained to perform various services primarily related to the retention and expansion of industrial and commercial development within The City, including, among other activities: (1) facilitating commercial and industrial development projects; (2) stabilizing and improving industrial areas; (3) administering public loan, grant, and subsidy programs; (4) encouraging development of intrastate, interstate and international commerce; (5) managing and maintaining certain City owned -properties; and (6) workforce development and recruitment programs.

In partial consideration of the services rendered by NYCEDC pursuant to the Master Contract, the Corporation may retain (1) net revenues from the sale or lease of City-owned properties and (2) certain interest and other related income received by NYCEDC for financing programs administered on behalf of The City, up to a cap. Income self-generated by NYCEDC, including earnings on all cash and investment accounts related to unrestricted operations and certain fees for services, may be retained by NYCEDC under the Master Contract without regard to the contract cap.

Pursuant to section 11.05 of the Master Contract, at any time upon written request of the Mayor of The City or the Mayor's designee, NYCEDC must remit to The City assets having a fair market value up to the amount, if any, by which the Corporation's unrestricted net position exceeds $7.0 million. At the direction of The City, NYCEDC remitted $10.5 million and $2.1 million from its unrestricted net position in fiscal years ended 2026 and 2025, respectively, which is accounted for under contract and other expenses to The City in the statements of revenues, expenses, and changes in net position.

3. Contracts With The City of New York (continued)

The term of the Master Contract is one year commencing on July 1 and may be extended by The City for up to one year. The City may terminate this contract at its sole discretion upon 90 days' written notice. Upon termination of this contract, NYCEDC must remit to The City all program funds or other assets subject to certain prescribed limitations.

Maritime Contract

The City and NYCEDC have entered into the Maritime Contract under which the Corporation has been retained to perform various services primarily related to the retention and expansion of waterfront, intermodal transportation, market, freight and aviation development and commerce.

The services provided under this contract include (1) retaining maritime business and attracting maritime business to The City; (2) managing, developing, maintaining, and promoting The City's waterfront, markets, aviation, freight and intermodal transportation, including the NYC Ferry system; and (3) administering leases, permits, licenses, and other occupancy agreements pertaining to such related properties.

In the performance of its services under the Maritime Contract, NYCEDC collects monies, including, but not limited to, rents and other revenues from tenants of certain City-owned properties managed by NYCEDC in connection with its maritime program. In consideration of the services rendered by the Corporation pursuant to the Maritime Contract, The City has agreed to pay NYCEDC for all costs incurred in the furtherance of The City's objectives under this contract, to the extent such costs have been provided for in The City-approved budget (the Budget) as called for by the Maritime Contract. Any reimbursable expenses, as defined in the Maritime Contract, may be retained by NYCEDC out of the net revenues generated on The City's behalf, to the extent such expenses are not provided for in the Budget (the Reimbursed Amount). Net revenues generated on The City's behalf for services under the Maritime Contract in excess of the Reimbursed Amount must be remitted to The City on a periodic basis. Historically, at the direction of The City, NYCEDC was required to remit $16.7 million for each fiscal year pursuant to the Maritime Contract, and such amounts were included in contract and other expenses to The City.

Beginning in fiscal year 2017, to partially offset the cost of establishing and operating the NYC Ferry service (Note 13), this amount was not required to be remitted to The City.

3. Contracts With The City of New York (continued)

Pursuant to section 9.06 of the Maritime Contract, at any time upon written request of the Mayor of The City or the Mayor's designee, NYCEDC must remit to The City assets having a fair market value up to the amount, if any, by which NYCEDC's maritime net position exceeds $7.0 million.

The term of the Maritime Contract is one year commencing on July 1 and may be extended by The City for up to one year. The City may terminate this contract at its sole discretion upon 90 days' written notice. Upon termination of this contract, NYCEDC must remit to The City all program funds or other assets subject to certain prescribed limits.

Other Agreements

In addition, NYCEDC remits to The City certain amounts collected from the 42nd Street Development Project. The amount remitted from this source for the fiscal year ended 2026 and 2025 was $26.9 million and $26.3 million, respectively (Note 1).

4. Grants

NYCEDC receives grants for specifically defined projects. For the years ended June 30, 2026 and 2025, grant revenue was $830.7 million and $822.4 million, of which $800.1 million and $779.2 million comprised of reimbursement grants from and through The City, and the remaining $30.6 million and $43.2 million was provided by other sources, respectively.

5. Land Held for Development and Real Estate Obligations Due to The City

NYCEDC may purchase land to help achieve The City's and the Corporation's redevelopment goals. In fiscal years ended 2026 and 2025, the land held for development totaled $132.4 million. Several acquisitions were obtained using capital funds from The City, and these amounts are reflected as real estate obligations due to The City on the statements of net position. As of June 30, 2026 and 2025, real estate obligations due to The City was $125.0 million.

5. Land Held for Development and Real Estate Obligations Due to The City (continued)

The following table summarizes land held for development and real estate obligations due to The City for the fiscal years ended June 30 (dollars in thousands):

	2026	2025
225 125th Street, B1790, L12	**$ 1,972**	$ 1,972
2309–2313 3rd Avenue, B1790, L3, 49	**858**	858
236 East 126th Street, B1790 L31	**183**	183
246 E. 127th Street, B1791, L25	**4,300**	4,300
Springfield Gardens, Queens, B13432, L57	**53**	53
Land held for development	**7,366**	7,366
Boardwalk, Coney Island	**105,345**	105,345
1047 Home Street, Bronx, B3006, L21	**800**	800
1051 Home Street, Bronx, B3006, L19	**1,200**	1,200
1057 Home Street, Bronx, B3006, L17	**500**	500
1174 Longfellow Avenue, Bronx, B2758, L14	**4,000**	4,000
3050 W. 21st Street, Brooklyn, B7071, L123	**13,176**	13,176
Due to The City: real estate obligations	**125,021**	125,021
Total land held for development	**$ 132,387**	$ 132,387

6. Other Income

The following table summarizes other income for the fiscal years ended June 30 (dollars in thousands):

	2026	2025
Tenant reimbursements	**$ 12,181**	$ 14,402
Developer contributions	**1,557**	3,985
Bad debt recovery	**4,720**	2,908
NYCIDA project costs reimbursement	**8,854**	5,878
5 Times Square conversion option	**–**	5,000
Other miscellaneous income	**14,870**	7,451
Total	**$ 42,182**	$ 39,624

7. Loans and Mortgage Notes Receivable

NYCEDC has received installment notes from purchasers of certain real property sold by the Corporation following NYCEDC's purchase of such property from The City. The installment notes are secured by separate purchase money mortgages on the properties sold. At June 30, 2026 and 2025, these mortgage notes totaled zero and $7.0 million exclusive of any interest receivable, respectively.

NYCEDC has also provided loans to City businesses to advance certain economic development objectives consistent with its corporate mission and contractual obligations with The City. These loans were made to borrowers whose business operations are likely to generate employment, increase tax revenue, improve the physical environment of areas, stabilize neighborhoods, or provide other benefits to The City. Collectively, the installment notes and loans form the Finance Programs.

At June 30, 2026, the loan portfolio consisted of 8 loans that bear interest at rates ranging from 0% to 9% and mature at various dates through May 21, 2039.

Scheduled maturities of principal for these loans for the next five years and thereafter are as follows (dollars in thousands):

	Principal Maturity	Interest
Fiscal year:		
2027	$ 160	$ 408
2028	2,098	127
2029	960	487
2030	160	127
2031	160	127
2032–36	4,500	619
2037–41	3,038	262
	11,076	$ 2,157
Less: allowance for loan losses	1,938	
Loans and mortgage notes receivable, net	$ 9,138	

8. Due to/From The City of New York

NYCEDC is required to remit portions of certain amounts to The City under the Master Contract (Note 3). The unremitted portion of such amounts at June 30, 2026 and 2025, amounted to $23.8 million and $17.1 million, respectively. Pursuant to the Master Contract with The City, NYCEDC recorded total grants from and through The City in the amount of $800.1 million and $779.2 million during fiscal years 2026 and 2025, respectively, of which $321.2 million and $230.6 million in capital funds were unpaid by The City as of June 30, 2026 and 2025, respectively. These unpaid amounts are included in the accompanying statements of net position as due from The City.

9. Capital and Right to Use Lease Assets

Changes in lease and capital assets for the years June 30, 2024 to June 30, 2026, consisted of the following (dollars in thousands):

	June 30, 2024	Additions/ Depreciation	Disposals	June 30, 2025	Additions/ Depreciation	Disposals	June 30, 2026
Capital assets							
Equipment	$ 17,514	$ 832	$ (354)	$ 17,992	**$ 1,932**	**$ (1,049)**	**$ 18,875**
Leasehold improvements	92,106	141	–	92,247	**2,743**	**–**	**94,990**
Vessels	239,045	–	–	239,045	**–**	**(6,000)**	**233,045**
Computer software	1,757	–	–	1,757	**–**	**(133)**	**1,624**
Work-in-progress – other	–	119	–	119	**(19)**	**–**	**100**
Capital assets	350,422	1,092	(354)	351,160	**4,656**	**(7,182)**	**348,634**
Less: Accumulated depreciation/ amortization	(93,409)	(15,348)	354	(108,403)	**(15,354)**	**5,166**	**(118,591)**
Capital assets, net	$ 257,013	$ (14,256)	$ –	$ 242,757	**$ (10,698)**	**$ (2,016)**	**$ 230,043**

	June 30, 2024	Additions/ Depreciation	Disposals	June 30, 2025	Additions/ Depreciation	Disposals	June 30, 2026
Right to Use (RTU) lease assets							
Vehicles and equipment	$ 1,021	$ 575	$ –	$ 1,596	**$ 738**	**$ –**	**$ 2,334**
Office space	181,737	–	–	181,737	**–**	**–**	**181,737**
RTU lease assets	182,758	575	–	183,333	**738**	**–**	**184,071**
Less: Accumulated amortization	(31,101)	(10,350)	–	(41,451)	**(10,617)**	**4**	**(52,064)**
RTU lease assets, net	$ 151,657	$ (9,775)	$ –	$ 141,882	**$ (9,879)**	**$ 4**	**$ 132,007**

Depreciation and amortization of capital assets and right to use lease assets for the fiscal years ended June 30, 2026 and 2025, totaled $26.0 million and $25.7 million.

10. Deposits and Investments

Deposits

At June 30, 2026, NYCEDC's cash and cash equivalents bank balance was $414.0 million. Cash consists of $136.4 million, of which $15.7 million was insured and $120.7 million was uncollateralized. Cash equivalents consist of money market funds amounting to $277.6 million. To mitigate risk, the Corporation limits its deposits to highly rated institutions. Emergency funds on hand amounted to $9,450. At June 30, 2025, NYCEDC's cash and cash equivalents bank balance was $377.0 million.

Investments

NYCEDC's investment policy permits the Corporation to invest in obligations of the United States of America, where the payment of principal and interest is guaranteed, or in obligations issued by an agency or instrumentality of the United States of America. Other permitted investments include short-term commercial paper, certificates of deposit and bankers' acceptances.

As of June 30, 2026 and 2025, the Corporation had the following investments. Investments maturities are shown for June 30, 2026, only (dollars in thousands):

	Fair Value		Investment Maturities at June 30, 2026, in Years		
	2026	**2025**	**Less Than 1**	**1 to 2**	**Greater Than 2**
Money Market Funds	**$ 277,656**	$ 245,919	$ 277,656	$ –	$ –
FHLB notes	**31,753**	39,675	9,645	10,429	11,679
FFCB notes	**80,409**	141,668	17,106	46,781	16,522
FHLMC	**33,436**	16,876	23,152	10,284	–
FNMA	**22,074**	2,003	7,472	12,599	2,003
Commercial paper	**8,961**	20,829	8,961	–	–
U.S. Treasuries	**5,246**	17,164	5,246	–	–
Certificates of deposit	**224**	215	224	–	–
	459,759	484,349	$ 349,462	$ 80,093	$ 30,204
Less: amount classified as cash equivalents	**(277,656)**	(245,919)			
Total investments	**$ 182,103**	$ 238,430			

10. Deposits and Investments (continued)

Fair Value Measurements – Fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Money market funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. U.S. Treasury and agency securities and commercial paper, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Corporation limits 80% of its investments to instruments maturing within two years of the date of purchase. The remaining 20% of the portfolio may be invested in instruments with maturities up to a maximum of seven years.

Credit Risk – It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government or issued by its agencies. As of June 30, 2026 and 2025, the Corporation's investments in Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Co (FHLMC), Federal National Mortgage Association (FNMA) and U.S. Treasuries were rated AA+ by Standard & Poor's (S&P), Aa1 by Moody's Investor's Service (Moody's) and AA+ by Fitch Ratings (Fitch), and Federal Home Loan Bank (FHLB) was rated AA+ by Standard & Poor's (S&P), Aa1 by Moody's Investor Services, Inc. (Moody's) and NR by Fitch Ratings; Commercial paper held were rated A1+ by S&P, P1 by Moody's and NR by Fitch. The Money Market Funds were rated Aaa by Moody's Investors Service (Moody's) and AAA by Fitch Ratings.

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Corporation and are held by the counterparty, the counterparty's trust department or agent.

10. Deposits and Investments (continued)

The Corporation manages custodial credit risk by limiting possession of its investments to highly rated institutions and/or requiring that high-quality collateral be held by the counterparty in the name of NYCEDC. At June 30, 2026 and 2025, the Corporation was not subject to custodial credit risk.

Concentration of Credit Risk – The Corporation places no limit on the amount NYCEDC may invest in any securities backed by the United States of America government. The following table shows investments, including money markets, that represent 5% or more of total investments as of June 30, 2026 and 2025, (dollars in thousands):

	Dollar Amount and Percentage of Total Investments			
	June 30			
	2026		**2025**	
Issuer				
Money Market Funds	**$ 277,656**	**60%**	$ 245,919	51%
FHLB	**31,753**	**7**	39,675	8
FFCB	**80,409**	**17**	141,668	29
FHLMC	**33,436**	**7**	–	–
FNMA	**22,074**	**5**	–	–

Investment Income

Investment income includes unrealized gains and losses on investments as well as interest earned on bank accounts, certificates of deposit and securities. Investment income amounted to $18.4 million and $21.7 million for the fiscal years ended June 30, 2026 and June 30, 2025 respectively.

11. Leases Receivable

As described further in Note 2, lease receivables relate to NYCEDC subleases of City-owned properties to commercial and industrial tenants. All managed leases generally provide for base rents plus provisions for additional rent. Certain agreements also provide for renewals at the end of the initial lease term for periods ranging from 1 to 50 years.

The Corporation recognizes and measures the lease receivable at the present value of the lease payments expected to be received during the applicable lease, using an applicable discount rate stated or implicit in the lease, less any provisions for uncollectible amounts. The Corporation also recognizes a deferred inflow of resources at the amount of the lease receivable, including any lease payments received from the lessee before commencement related to future periods and less any lease incentives.

The future minimum lease payments as of June 30, 2026, payable by the tenants under leases and subleases, are as follows (dollars in thousands):

	Total Minimum Payments
2027	$ 160,502
2028	153,728
2029	154,869
2030	143,531
2031	136,886
2032–2036	630,273
2037–2041	607,715
2042–2046	594,570
2047–2051	617,970
2052–2056	626,938
Thereafter	4,841,604
Total	8,668,586
Less: present value and reserve adjustment	6,510,515
Leases receivable	$ 2,158,071

11. Leases Receivable (continued)

The present value of minimum lease payments shown above is comprised of current and long-term amounts shown in the statement of net position. The thereafter category includes 43 leases with expiration dates between October 2, 2058 and December 21, 2124.

12. Lease Liabilities

At June 30, 2026 and 2025, the Corporation held leases for vehicles, equipment and office space. The vehicle and equipment leases range in duration of three to five years and terminate at various dates through June 2031. Additionally, NYCEDC entered into a long term lease agreement for its office space. The office lease is effective March 2018 with an expiration date of May 31, 2039.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2026 are as follows:

	Vehicles and Equipment	Office Space	Total
2027	$ 481	$ 12,980	$ 13,461
2028	283	12,984	13,267
2029	151	13,082	13,233
2030	83	14,117	14,200
2031	4	14,122	14,126
2032–2036	–	73,029	73,029
2037–2039	–	44,579	44,579
Total	$ 1,002	$ 184,893	185,895
Less: adjustment for present value			(15,579)
Lease liabilities			$ 170,316

13. NYC Ferry System

In 2016, NYCEDC contracted with Hornblower Group (HNY) for the provision of ferry services under the new NYC Ferry system. Pursuant to a request for proposal, HNY was subsequently re-procured in October 2023. The system is currently made up of six routes and a seasonal shuttle that were designed to meet the transportation needs of neighborhoods traditionally underserved by public transportation. HNY assumed operational responsibility for the then-existing East River Ferry route in December 2016 to incorporate that route into the NYC Ferry system. The initial NYC Ferry routes began operations between 2017 and 2018. The net cost of these operations, which excludes capital costs, as of June 30, 2026 and 2025, was $54.2 million and $52.9 million, respectively. To partially offset the costs to NYCEDC for establishing and operating the ferry system, NYCEDC was not required to remit to The City $16.7 million under the Maritime Contract or commercial rents received from the 42nd Street Development Project (Notes 1 and 3) during fiscal years ended June 30, 2026 and 2025.

14. Pension Plan

NYCEDC maintains a 401(a) defined contribution pension plan that covers substantially all full-time employees. The pension plan provides for variable contribution rates by NYCEDC ranging from 6% to 18% of the employees' eligible wages, as defined in the IRC. NYCEDC employees receive a nonmatching contribution in the amount of 6% of wages at the beginning of the 2nd year of employment. This amount increases to 10% at the beginning of the 4th year of employment, 12% at the beginning of the 5th year of employment, 14% at the beginning of the 6th year of employment, 16% at the beginning of the 11th year of employment, and 18% at the beginning of the 16th year of employment. Employees are 100% vested at the time of contribution. Contributions are made monthly and are current. The plan is administered at the direction of the NYCEDC Retirement Plan Investment Committee. Pension expense for the fiscal years ended June 30, 2026 and 2025, amounted to $8.3 million and $7.5 million, respectively, and is included in personnel services in the accompanying statements of revenues, expenses, and changes in net position.

15. Postemployment Benefits Other Than Pensions

NYCEDC sponsors a single employer-defined benefit health care plan that provides postemployment medical benefits for eligible retirees and their spouses. Commonly referred to as a plan for other post-employment benefits, this plan was amended during February 2011 with an effective date of July 1, 2011, and again in July 2016 with an effective date of June 30, 2016. The amendments include revisions to the definition of what constitutes an eligible participant and the closure of the plan to new participants. As a result of these amendments, the plan maintains the current benefit structure, but plan participation will continue for only certain groups of members, who are (i) all retired members, (ii) all active employees hired prior to April 1, 1986, who are ineligible for Medicare coverage when they depart NYCEDC, and (iii) all active employees who started working prior to January 1, 2011, with (a) at least 10 years of service as of that date or (b) who will be age 60 or older by June 30, 2023 and will have at least 10 years of service by the time they retire.

Benefit provisions and contribution requirements for the plan are administered and managed by a committee consisting of NYCEDC employees and can be amended by the Corporation. There is no statutory requirement for NYCEDC to continue this plan. The plan is a contributory plan with retirees subject to contributions established for either the Low or High version of the plan. Retirees receiving the post-employment health benefits pay a premium amount equal to what a current NYCEDC active employee pays, based on the retiree's family status. Under the Low option, retirees make contributions in the amount $60 monthly for single and $120 monthly for family. Under the High option, retiree contributions are $100 a month for single coverage and $200 a month for family coverage. Additional costs may be incurred by the retiree under either the Low or High plan version.

On June 27, 2018, NYCEDC established and funded the New York City Economic Development Corporation OPEB Trust (the Trust), an irrevocable trust for the payments to fund this obligation. All of the plan assets are maintained within the Trust, and detailed information about the OPEB plan's fiduciary net position is presented in the Corporation's statements of fiduciary net position and statements of changes in fiduciary net position.

15. Postemployment Benefits Other Than Pensions (continued)

Employees Covered by Benefit Terms – As of July 1, 2025, the following employees were covered by the benefit terms:

Active employees	54
Inactive employees and/or beneficiaries currently receiving benefit payments	46
Future retirees and beneficiaries not currently receiving benefit payments	6
Total participants	106

Contributions – NYCEDC has the right to establish and amend the contribution requirements. For the fiscal years ended June 30, 2026 and 2025, the average contribution rate was 0% of covered payroll.

Net OPEB Asset/Liability

The Corporation's net OPEB asset and total OPEB liability were determined as of June 30, 2026 using data as of July 1, 2025.

Actuarial Assumptions – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Consumer price index	3.0% per annum
Investment rate of return	5.75% per annum
Salary increases	4.25%
Health care costs trend rates	10.65% grading down to an ultimate rate of 4.85% for Non-Medicare 10.00% grading down to an ultimate rate of 4.85% for Medicare

Mortality rates were based on the Pub-2016 Above Median Headcount Weighted General Mortality table with application of the MP-2021 improvement scale on a fully generational basis. The MP-2021 improvement scale was released by the Society of Actuaries in 2021 and reflects additional data from the Social Security Administration.

15. Postemployment Benefits Other Than Pensions (continued)

Long-Term Expected Rate of Return – The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount Rate – The discount rate used to measure the total OPEB liability was 5.75% and 5.58% at June 30, 2026 and 2025, respectively. The projection of cash flows used to determine the discount rate does not assume any additional contributions. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees throughout the projection period.

Investments

Investment Policy – The Trust's investments are made in accordance with the provisions of the Trust's investment policy (the Investment Policy). The goals of the Investment Policy are to invest for the sole purpose of funding the OPEB plan's obligation of the Corporation in a prudent manner and to conserve and enhance the value of the Trust's assets through appreciation and income generation while maintaining a moderate investment risk.

The Trust has retained an investment consultant to ensure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

15. Postemployment Benefits Other Than Pensions (continued)

The Investment Policy was adopted in April 2019 and updated in March 2023. The Trust is currently invested in the following securities within the current investment policy limitations:

Asset Class	Target Allocation
US equity	20%
Non-US equity	10
Multi-asset	10
Aggregate bond	60
Cash	–

The Investment Policy limits the Trust to investing no more than 5% of the total portfolio in the common stock of any one corporation. The Trust may not hold more than 5% of the outstanding shares of any one company. Fixed-income securities of any one issuer shall not exceed 5% of the total fixed income portfolio at the time of purchase if held in a separate account. Holdings of any individual issue, other than issues of the United States government, may not exceed 5% of the value of the total issue. Commingled investment vehicles such as mutual funds or common trust or collective investment funds will be evaluated based on their diversification characteristics as presented in their investment strategy and discipline.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 – Value based on quoted prices in active markets for identical assets.

Level 2 – Value based on significant other observable inputs such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 – Value based on inputs that are unobservable and significant to the fair value measurement such as discounted cash flows.

15. Postemployment Benefits Other Than Pensions (continued)

The following summarizes the Trust's investments by type held at June 30, 2026 and 2025. Investment maturities are shown for June 30, 2026, only (dollars in thousands):

		Fair Value		Maturities		
	Level	**2026**	**2025**	**<1 Year**	**1–5 Years**	**6–10 Years**
Investment type						
Money market fund	1	**$ 70**	$ 118	$ 70	$ –	$ –
Mutual funds	1	**24,179**	22,357	24,179	–	–
Total investments by fair value level		**24,249**	22,475	$ 24,249	$ –	$ –
Less: amounts reported as cash equivalents		**(70)**	(118)			
Total investments		**$ 24,179**	$ 22,357			

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Corporation and are held by the counterparty, the counterparty's trust department or agent.

The Trust manages custodial credit risk by limiting possession of investments to highly rated institutions.

Credit Risk – Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Trust has an investment policy regarding the management of Credit Risk, as outlined above. GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

At June 30, 2026 and 2025, the Trust did not have any investment in debt securities.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Trust's investment in a single issuer. Investments of Trust assets are diversified in accordance with the Corporation's investment policy, which defines guidelines for the investment holdings. The asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy and the securities markets. At June 30, 2026 and 2025, no more than 5% of the Trust's investments were in a single issuer.

15. Postemployment Benefits Other Than Pensions (continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Within cash portions of the portfolio, interest rate risk is managed using the effective duration methodology. This methodology is widely used in the management of cash and fixed income portfolios in that it quantifies with greater precision the amount of risk due to interest rate changes. Interest rate risk is managed by investing in mutual funds that limit risk by diversifying holdings and purchasing companies of lower risk.

Rate of Return – The annual money-weighted rate of return on trust investments, net of investment expenses was 10.5% and 9.3% for the fiscal years ended June 30, 2026 and 2025, respectively. The calculation is based on investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in Net OPEB (Asset) Liability

For the fiscal year ended June 30, 2026 (dollars in thousands):

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability (Asset)**
Balances at beginning of the year	$ 16,032	$ 22,445	$ (6,413)
Changes for the year:			
Service cost	174	–	174
Interest	916	–	916
Changes of benefit terms	–	–	–
Difference between expected and actual experience	(1,498)	–	(1,498)
Changes of assumptions	3,396	–	3,396
Net investment income	–	2,455	(2,455)
Benefit payments	(566)	(566)	–
Plan expense	–	(128)	128
Net changes	2,422	1,761	661
Net OPEB liability (asset) at end of year	$ 18,454	$ 24,206	$ (5,752)

15. Postemployment Benefits Other Than Pensions (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB (asset) liability of the Corporation, as well as what NYCEDC's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current discount rate (dollars in thousands):

	1% Decrease	Discount Rate (5.75%)	1% Increase
Net OPEB (asset) liability, June 30, 2026	$ (3,514)	$ (5,752)	$ (7,656)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB (asset) liability of the Corporation, as well as what NYCEDC's net OPEB (asset) liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percent point higher (dollars in thousands):

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB (asset) liability, June 30, 2026	$ (7,990)	$ (5,752)	$ (3,066)

15. Postemployment Benefits Other Than Pensions (continued)

OPEB Income and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal years ended June 30, 2026 and 2025, NYCEDC recognized OPEB expense of $0.1 million and OPEB income of $4.7 million, respectively. OPEB income and expense are reported in the Corporation's financial statements as part of personnel services expense. At June 30, 2026, NYCEDC reported deferred inflows and outflows of resources related to OPEB from the following sources (dollars in thousands):

	Deferred Inflows	Deferred Outflows
Difference between expected and actual experience	$ (1,468)	$ 443
Changes in assumptions	(1,443)	3,355
Difference between projected and actual investment earnings/loss	(1,585)	122
	$ (4,496)	$ 3,920

Amounts reported will be recognized in OPEB expense as follows (dollars in thousands):

Fiscal year ended June 30:	
2027	$ (132)
2028	(115)
2029	(92)
2030	(237)
	$ (576)

16. SSSM Sustainability Fund, LLC

Pursuant to a Deputy Mayor directive dated December 9, 2021, NYCEDC formed the SSSM Sustainability Fund, LLC (the SSSM LLC), a wholly owned special purpose entity, in May 2024, to retain $40.0 million and earnings thereon, in proceeds from the sale of certain transferable development rights located at 250 Water Street. The sale proceeds, received in August 2024, are to be invested and used to support the operations of the South Street Seaport Museum (the Museum). The SSSM LLC and the Museum entered into a funding agreement for the purpose of

16. SSSM Sustainability Fund, LLC (continued)

making periodic disbursements to the Museum for qualified operating expenses of the Museum, defined as costs and expenses associated with carrying out its mission, including but not limited to: cultural activities and programming that is accessible to the public in The City. The investments and disbursements are structured with the goal of generating a reasonable rate of return while substantially preserving the principal balance of the invested funds. NYCEDC receives a fixed administrative fee for overseeing the SSSM LLC and its activities. For the year ended June 30, 2026, NYCEDC earned an administrative fee of $25,500. Detailed information about SSSM LLC's fiduciary net position is presented in the Corporation's statements of fiduciary net position and statements of changes in fiduciary net position.

Investments

Investment Policy – The SSSM LLC's investments are made in accordance with the provisions of the SSSM LLC's investment policy (the SSSM LLC Investment Policy). The goals of the SSSM LLC Investment Policy are to invest for the sole purpose of funding the Museum's future operations and support to pay administrative expenses.

The SSSM LLC has retained an investment consultant to ensure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

Pursuant to the SSSM LLC Investment Policy, the SSSM LLC is currently invested in the following securities within the current investment policy limitations:

Asset Class	Maximum Allocation
Cash	10%
Fixed Income	50
Global Equities	70

16. SSSM Sustainability Fund, LLC (continued)

The following summarizes the SSSM LLC's investments by type held at June 30, 2026. Investment maturities are shown for June 30, 2026, only (dollars in thousands):

		Fair Value		Investment Maturities At June 30, 2026, in Years		
	Level	2026	2025	Less than 1 Year	1–2 Years	Greater than 2
Investment type						
Money market mutual funds	1	**$ 2,001**	$ 2,016	$ 2,001	$ –	$ –
Exchange traded products	1	**26,036**	16,497	26,036	–	–
Corporate bonds	2	**4,542**	5,674	50	156	4,336
Municipal bonds	2	**10,140**	13,715	804	452	8,884
US Agency securities	2	**95**	523	–	–	95
Total investments by fair value level		**42,814**	38,425	$ 28,891	$ 608	$ 13,315
Less: amounts reported as cash equivalents		**(2,001)**	(2,016)			
Total investments		**$ 40,813**	$ 36,409			

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Corporation and are held by the counterparty, the counterparty's trust department or agent.

The SSSM LLC manages custodial credit risk by limiting possession of investments to highly rated institutions.

Credit Risk –As of June 30, 2026, the SSSM LLC's investments in Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FFCB) were rated AA+ by Standard & Poor's (S&P) and Aa1 by Moody's Investor's Service (Moody's). Corporate bonds held were rated from BBB to AA+ by S&P, Baa2 to Aa1 by Moody's and BBB to AA by Fitch. Municipal bonds held were rated from BBB- to AAA by S&P, Baa2 to Aaa by Moody's and BBB- to AAA by Fitch.

16. SSSM Sustainability Fund, LLC (continued)

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of SSSM LLC's investment in a single issuer. Investments of SSSM LLC assets are diversified in accordance with SSSM LLC's investment policy, which defines guidelines for the investment holdings. The following table shows investments, including money market funds, that represent 5% or more of total investments as of June 30, 2026 and 2025, (dollars in thousands):

	Dollar Amount and Percentage of Total Investments			
	June 30			
	2026		**2025**	
Issuer				
Ishares Core S&P 500 ETF	**$ 11,316**	**26%**	$ 6,851	18%
Ishares Core MSCI Emerging	**2,734**	**6**	–	–
Vanguard Developed Markets Index Fund ETF	**6,376**	**15**	4,534	12
Vanguard Index FDS Growth	**2,154**	**5**	–	–
Money Market Mutual Funds	**2,001**	**5**	2,016	5

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is managed by investing in mutual funds that limit risk by diversifying holdings and purchasing companies of lower risk.

17. Blended Component Units

The Corporation's operations include blended component units which are included in the Corporation's basic financial statements. The Corporation includes these entities as blended component units as: (1) the Corporation and these entities have financial benefit and burden relationships and (2) the Corporation has operational responsibility for these entities. The blended component units include:

CLIC Captive Insurance

In 2016, NYCEDC established the City Lights Insurance Company (CLIC) as a single parent captive insurance company wholly owned by NYCEDC. CLIC was incorporated on May 26, 2016, and is domiciled in The State. It commenced business operations on July 1, 2016.

17. Blended Component Units (continued)

CLIC continues to provide coverage for two lines of insurance: cyber insurance and additional terrorism insurance. CLIC provides excess cyber coverage to NYCEDC and each company that is more than 50% owned and controlled by NYCEDC, with limits of $9 million per claim and in the aggregate, in excess of $5 million of underlying insurance and self-insured retentions.

CLIC also directly provides terrorism insurance for acts of Nuclear, Biological, Chemical or Radiological terrorism, with limits of $6 million per occurrence and in the aggregate for any one certified act of terrorism.

All policies provided by CLIC cover certified terrorism losses as defined under the Terrorism Risk Insurance Act of 2002 (TRIA) and subsequent extensions. Under the TRIA coverage, the United States Government provides a backstop on a quota share basis for 85% (beginning on January 1, 2016 and decreasing by 1% per calendar year until equal to 80%) if the total loss affecting all involved insurers exceeds $100 million. Additionally, under Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA), the federal government's share of insured losses gradually decreases from 85% to 80%, dropping one percent annually beginning on January 1, 2016. During 2019, TRIA was extended again by the U.S. Treasury through 2027 with a loss trigger of $200 million and coinsurance protection of 80% for calendar year 2020 going forward.

Effective December 10, 2018, CLIC began directly providing flood deductible and self-insured retention reimbursement coverage for locations not covered by a National Flood Insurance Program or located in Special Flood Hazard Areas as defined by the Federal Emergency Management Agency to NYCEDC and its affiliates, with limits ranging from $500,000 to $1,000,000 in excess of a $25,000 deductible per occurrence, with no aggregate limits.

Statement of Net Position

The following table summarizes CLIC's financial position at June 30 (dollars in thousands):

	2026	**2025**
Total assets	**$ 7,564**	$ 6,498
Total liabilities	**15**	14
Total net position	**$ 7,549**	$ 6,484

17. Blended Component Units (continued)

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes CLIC's change in net position for the fiscal years ended June 30 (dollars in thousands):

	2026	2025
Operating revenues	**$ 1,170**	$ 1,154
Operating expenses	**105**	104
Operating income	**1,065**	1,050
Change in net position	**1,065**	1,050
Total net position, beginning of fiscal year	**6,484**	5,434
Total net position, end of fiscal year	**$ 7,549**	$ 6,484

City of New York Early Stage Life Sciences Fund LLC

The City of New York Early Stage Life Sciences Fund LLC (ESLSF) was formed in December of 2013, as a result of an initiative designed to champion The City's early-stage life sciences ecosystem. It is designed to support the development of new technologies and products for patients and researchers, including therapeutics, medical devices, diagnostics, research and development instrumentation, and digital life sciences technologies.

Statement of Net Position

The following table summarizes ESLSF's financial position at June 30, 2026 and 2025 (dollars in thousands):

	2026	2025
Total assets	**$ 2,382**	$ 2,200
Total liabilities	**800**	800
Total net position	**$ 1,582**	$ 1,400

17. Blended Component Units (continued)

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes ESLSF's change in net position for the fiscal years ended June 30, (dollars in thousands):

	2026	2025
Operating revenues	**$ 182**	$ 73
Operating expenses	**–**	–
Operating income	**182**	73
Non-operating income (loss)	**–**	(717)
Interfund transfers	**–**	(4)
Change in net position	**182**	(648)
Total net position, beginning of fiscal year	**1,400**	2,048
Total net position, end of fiscal year	**$ 1,582**	$ 1,400

New York City Entrepreneurial Fund, LLC

The New York City Entrepreneurial Fund, LLC (NYCEF) was formed in February of 2010 to facilitate the expansion of The City's entrepreneurial sector by incentivizing new private sector seed and early stage financing for companies based in The City.

Statement of Net Position

The following table summarizes NYCEF's financial position at June 30 (dollars in thousands):

	2026	2025
Total assets	**$ –**	$ 200
Total liabilities	**–**	–
Total net position	**$ –**	$ 200

17. Blended Component Units (continued)

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes NYCEF's change in net position for the fiscal years ended June 30 (dollars in thousands):

	2026	2025
Operating revenues	**$ –**	$ –
Operating expenses	**–**	–
Operating income (loss)	**–**	–
Non-operating loss	**(189)**	–
Interfund transfers	**(11)**	–
Change in net position	**(200)**	–
Total net position, beginning of fiscal year	**200**	200
Total net position, end of fiscal year	**$ –**	$ 200

NYC Ferry Fleet, LLC

The NYC Ferry Fleet, LLC (NYCFF) was formed in October of 2018 to take title of purchased ferry vessels operating in the NYC Ferry system. Depreciation expense of titled vessels is reflected as operating costs of NYCFF.

Statement of Net Position

The following table summarizes NYCFF's financial position at June 30 (dollars in thousands):

	2026	2025
Total assets	**$ 169,825**	$ 179,147
Total liabilities	**–**	–
Total net position	**$ 169,825**	$ 179,147

17. Blended Component Units (continued)

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes NYCFF's change in net position for the fiscal years ended June 30 (dollars in thousands):

	2026	2025
Operating revenues	**$ –**	$ –
Operating expenses	**9,322**	9,321
Operating loss	**(9,322)**	(9,321)
Change in net position	**(9,322)**	(9,321)
Total net position, beginning of year	**179,147**	188,468
Total net position, end of year	**$ 169,825**	$ 179,147

NYC COVID-19 Emergency Services, LLC

The NYC COVID-19 Emergency Services, LLC (NYCCES) was formed in April of 2020 to take all appropriate and necessary steps to render all required and available assistance to protect the security, well-being and health of the residents of The City and property in which The City or NYCEDC has an interest. Such services may include, but are not limited to, making emergency procurements of goods and services for such purposes.

Statement of Net Position

The following table summarizes NYCCES's financial position at June 30 (dollars in thousands):

	2026	2025
Total assets	**$ 1,143**	$ 1,988
Total liabilities	**991**	1,871
Total net position	**$ 152**	$ 117

17. Blended Component Units (continued)

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes NYCCES's change in net position for the fiscal years ended June 30 (dollars in thousands):

	2026	2025
Operating revenues	**$ –**	$ –
Operating expenses	**–**	–
Operating income	**–**	–
Non-operating income	**35**	46
Change in net position	**35**	46
Total net position, beginning of fiscal year	**117**	71
Total net position, end of fiscal year	**$ 152**	$ 117

NYC Catalyst Fund, LLC

The NYC Catalyst Fund, LLC (Catalyst Fund LLC) was formed in May of 2024 to establish an impact investing program designed to make investments that generate positive, measurable social and environmental impact. As a limited partner, the Catalyst Fund LLC receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Corporation. For the purpose of financial reporting, the ownership in equity interest in connection with impact investing activities, such as providing venture capital, does not meet the definition of an investment because the asset is held primarily to further the impact investment objectives of the Corporation. Accordingly, the Corporation uses the lower of cost or fair value method as the measurement basis of these special purpose investments.

17. Blended Component Units (continued)

Statement of Net Position

The following table summarizes the Catalyst Fund LLC's financial position at June 30 (dollars in thousands):

	2026	2025
Total assets	**$ 14,984**	$ 4,009
Total liabilities	**–**	–
Total net position	**$ 14,984**	$ 4,009

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes the Catalyst Fund LLC's change in net position for the fiscal year ended June 30 (dollars in thousands):

	2026	2025
Operating revenues	**$ 109**	$ 19
Operating expenses	**168**	488
Operating income (loss)	**(59)**	(469)
Interfund transfers	**11,034**	4,478
Change in net position	**10,975**	4,009
Total net position, beginning of fiscal year	**4,009**	–
Total net position, end of fiscal year	**$ 14,984**	$ 4,009

Cannabis NYC Fund, LLC

The Cannabis NYC Fund, LLC (Cannabis Fund LLC) was formed in August of 2024 to establish a program (Cannabis NYC Loan Fund) that aims to provide affordable and flexible capital to licensed pre-operational and early-stage cannabis businesses. As a limited partner, the Cannabis Fund LLC receives financial reports from the general partner of the funds, copies of which may be obtained by contacting the Corporation. For the purpose of financial reporting, the ownership in equity interest in connection with the Cannabis NYC Loan Fund, such as providing debt capital

17. Blended Component Units (continued)

to NYC-based cannabis businesses, does not meet the definition of an investment because the asset is held primarily to promote the development of an equitable cannabis industry. Accordingly, the Corporation uses the lower of cost or fair value method as the measurement basis of these Cannabis NYC Loan Fund special purpose investments.

Statement of Net Position

The following table summarizes the Cannabis Fund LLC's financial position at June 30 (dollars in thousands):

	2026	**2025**
Total assets	**$ 2,000**	$ 2,000
Total liabilities	**2,000**	2,000
Total net position	**$ –**	$ –

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes Cannabis Fund LLC's change in net position for the fiscal years ended June 30 (dollars in thousands):

	2026	**2025**
Operating revenues	**$ –**	$ 350
Operating expenses	**–**	350
Operating income (loss)	**–**	–
Change in net position	**–**	–
Total net position, beginning of fiscal year	**–**	–
Total net position, end of fiscal year	**$ –**	$ –

18. Other Related-Party Transactions

New York City Land Development Corporation (LDC)

On May 8, 2012, The City formed LDC as a local development corporation organized under section 1411 of the NPCL. LDC is engaged in economic development activities by means of the leasing and selling of certain City-owned properties. No fees were established between NYCEDC and LDC in the current fiscal year. Instead, the Corporation provides LDC with operating grant funding for LDC's general and administrative expenses. At June 30, 2026 and 2025, the amount due to LDC totaled $2,274 and $4,198, respectively.

New York City Industrial Development Agency (IDA)

IDA was established in 1974 as a public benefit corporation of The State. NYCEDC is responsible for administering the economic development programs of IDA. For the fiscal years ended June 30, 2026 and 2025, the Corporation earned management fee income from IDA of $4.8 million and $4.9 million, respectively. At June 30, 2026 and 2025, the amount due from IDA totaled $3.6 million and $2.0 million, respectively.

Build NYC Resource Corporation (Build NYC)

Build NYC was incorporated under section 1411 of the NPCL in 2013. Pursuant to an annual agreement between NYCEDC and Build NYC, the Corporation provides management services to Build NYC and administers its financial books and records. For each of the fiscal years ended June 30, 2026 and 2025, NYCEDC earned management fee income from Build NYC of $2.2 million. At June 30, 2026 and 2025, the amount due from Build NYC totaled $4,682 and $7,726, respectively.

The Trust for Cultural Resources of New York City (TCR)

Pursuant to an annual agreement between NYCEDC and TCR, a public benefit corporation created pursuant to Articles 20 and 21 of the New York Arts and Cultural Affairs Law, the Corporation provides TCR with management services. For each of the fiscal years ended June 30, 2026 and 2025, NYCEDC earned management fees of $0.3 million from TCR. For each of the fiscal years ended June 30, 2026 and 2025, the amount due from TCR totaled zero.

18. Other Related-Party Transactions (continued)

New York City Neighborhood Capital Corporation (NCC)

NCC is a not-for-profit corporation organized under the NPCL. NCC has all power and authority to make qualified low-income community investments in The City and to allocate federal tax credits for this purpose. NYCEDC provided full management services to NCC, and no fees were charged for these services for the fiscal years ended June 30, 2026 and 2025. At June 30, 2026 and 2025, the amounts due from NCC for the reimbursement of costs paid by the Corporation on behalf of NCC totaled $750 and $250, respectively.

Public Realm Improvement Fund Governing Group Inc. (PRIF)

PRIF, which was incorporated under NPCL and commenced operation in 2017, was created to administer the Public Realm Improvement Fund (the Fund) for the exclusive charitable and public purpose of lessening the burdens of government for The City and acting in the public's interest. Specifically, this is done by allocating funds from the Fund to implement public realm improvement projects in East Midtown. The Corporation provided full management services to PRIF, and no fees were charged for these services for fiscal years ended June 30, 2026 and 2025. At June 30, 2026 and 2025, the amounts due from PRIF for the reimbursement of costs paid by NYCEDC on behalf of PRIF, totaled $16,085 and $65,746, respectively.

Brooklyn Marine Terminal Development Corporation (BMTDC)

On November 26, 2025, the Brooklyn Marine Terminal Development Corporation (BMTDC) was formed as a not-for-profit corporation for purposes that include lessening the burden of government by managing the transformation of the Brooklyn Marine Terminal site, which is in the neighborhoods of Red Hook and the Columbia Waterfront district in Brooklyn, New York. No fees were paid by BMTDC to NYCEDC in the fiscal year. During fiscal year ended June 30, 2026, NYCEDC incurred expenses of approximately $37,000 for BMTDC's start-up costs.

19. Derivatives and Fuel Hedging Activity

As described in Note 13, NYCEDC, on behalf of The City, contracted in June 2016 with HNY for the provision of ferry services for the NYC Ferry system. HNY was subsequently re-procured in October 2023. Under the contracts, NYCEDC reimburses HNY for the cost of fuel, for which the price per gallon is subject to market conditions. Consequently, the Corporation was authorized by its Board of Directors to implement an energy price risk management program to manage NYCEDC's exposure to the cost of fuel for NYC Ferry.

NYCEDC enters into all fuel hedging arrangements for the sole purpose of hedging against cash flow fluctuations and increasing budgetary certainty. NYCEDC is represented in these transactions by an advisor and designated evaluation agent, also known as a qualified independent representative (QIR).

The following risks are generally associated with hedging instruments:

Basis Risk – A systemic risk that arises from variations between hedge-relative price and cash/spot price of the hedged commodity at any given point of time. However, NYCEDC uses the NY harbor low-sulfur diesel futures pricing index as the reference for both the hedging instruments and the delivery contracts, so there is a high correlation between the prices paid for the commodity and the futures contracts pricing.

Cash Flow Risk – The risk of experiencing outflow of cash to meet margin calls for future contracts due to falling prices for future contracts. This risk is naturally mitigated by the opposite movement of the actual prices paid as compared to the futures contract prices.

Counterparty Risk – The risk that the counterparty will not fulfill its obligations under the option contracts. NYCEDC uses exchange-traded diesel fuel futures contracts as its hedging instrument.

With this, the New York Mercantile Exchange Clearing House is the financial counterparty. Due to a high level of regulation of the U.S. futures markets, the risk of exchange clearing house default is extremely remote.

Termination Risk – The risk that the underlying hedge transactions will not run to maturity due to a counterparty event. To minimize this risk, NYCEDC will not purchase contracts where the counterparty has an option to terminate while NYCEDC is performing.

19. Derivatives and Fuel Hedging Activity (continued)

Beginning in September 2017, NYCEDC executed International Swaps and Derivatives Association (ISDA) master agreements with Chase Bank, N.A. (JPMorgan) and Citibank, N.A. (Citibank), paving the way to use swap and call option contracts for fuel hedging purposes. As of June 30, 2026 and 2025, NYCEDC did not own any swap or call option contracts.

As of June 30, 2026, the fair values of NYCEDC's commodity futures contracts, based on average daily rates, are listed below. These contracts fall within the Level 2 category investments of the fair value hierarchy.

Diesel Fuel	Notional Amount – Gallon	Number of Contracts	Maturity Date	Fair Value June 30, 2026	Average Futures Price $/Gallon
	420,000	10	July-26	$ 462,882	$ 2.1270
	378,000	9	August-26	397,778	2.1078
	336,000	8	September-26	339,629	2.0900
	294,000	7	October-26	284,012	2.0686
	294,000	7	November-26	268,246	2.0500
	294,000	7	December-26	225,410	2.1500
	294,000	7	January-27	213,914	2.1500
	336,000	8	February-27	231,403	2.1400
	336,000	8	March-27	243,096	2.0500
	378,000	9	April-27	259,119	2.0500
Total fair value				$ 2,925,489	

20. Commitments and Contingencies

As of June 30, 2026, NYCEDC has an aggregate contractual commitment of $264.3 million under different self-funded economic development initiatives and projects, including but not limited to the NYC Ferry system and life science initiatives.

20. Commitments and Contingencies (continued)

The Corporation's loan and loan guarantee finance programs are designed to provide financial assistance to certain eligible businesses with the expectation of spurring economic development benefits for The City. As of June 30, 2026, NYCEDC's aggregate remaining commitments for these programs is $55.6 million.

NYCEDC was the co-trustee along with 42nd Street Development Corporation (a subsidiary of New York State Urban Development Corporation d/b/a Empire State Development Corporation (ESDC)) for the use of certain development funds under the 42nd Street Development Project. The trustees jointly extended a loan to the New Amsterdam Development Corporation (NADC) for renovation of the New Amsterdam Theatre. The principal loan amount of $25.6 million was equally disbursed by the trustees and matures on January 31, 2027. Interest on the loan has ranged between 3.0% and 3.5%. NYCEDC's portion of the loan, $12.8 million, was reimbursed to the Corporation by The City. The conduit loan payment constitutes both a receivable from NADC and a payable to The City. This transaction is not reflected in the financial statements as it does not have any impact on NYCEDC's financial position.

NYCEDC, and in certain situations as co-defendant with The City, LDC, NYC Ferry Fleet LLC and/or IDA is involved in personal injury, property damage, breach of contract, environmental and other miscellaneous claims and lawsuits in the ordinary course of business. NYCEDC believes it has meritorious defenses or positions with respect thereto.

Management is aware of certain other recent litigation matters summarized below, some of which are in early stages, but with respect to which management believes NYCEDC has meritorious defenses or positions.

Although the ultimate resolution of these matters could be material to NYCEDC's financial statements in a particular period, management does not currently believe that it is possible to reasonably estimate the amount or range of any potential loss. Accordingly, no liability has been recorded.

NYCEDC is a defendant in multiple civil claims arising from matters associated with an NYCEDC project and has sought defense and indemnification from a contractor and its insurer, which has accepted the tender subject to a reservation of rights. NYCEDC is also cooperating with a related governmental investigation.

20. Commitments and Contingencies (continued)

In another matter, a current tenant under a ground lease administered by NYCEDC commenced federal and state court proceedings against NYCEDC and related parties asserting claims concerning lease amendments, development rights, and alleged contractual and business tort claims, and seeking monetary, declaratory, and injunctive relief.

In another matter, a tenant under a NYCEDC ground lease alleges that NYCEDC breached the terms of the lease and also alleges claims against The City arising from its pre-lease condemnation of an unrelated site occupied by this tenant. A motion to dismiss was filed, and the court dismissed the plaintiff's pre-lease condemnation claims. The plaintiff's remaining contract-based claims continue to be litigated. The plaintiff retains appellate rights with respect to the dismissed claims.

In another matter, a former property owner and its tenant seek to recover real property taxes allegedly paid to The City's Department of Finance over an approximately three-year period following NYCEDC's successful enforcement of deed reversion rights, which resulted in title to the property reverting to NYCEDC. The plaintiffs assert unjust enrichment and related claims. NYCEDC has asserted a counterclaim seeking recovery of use and occupancy charges following NYCEDC's acquisition of title.

21. Risk Management

Given the diverse nature of projects, initiatives and assets managed by NYCEDC and its concentrated operational geography, the Corporation is exposed to a variety of exposures and their potential risks. Based on NYCEDC's operations, the Corporation's risk can largely be categorized as theft of, damage to, and destruction of real assets; various types of injury or harm to employees and third parties; tort law; and reputational. In response, NYCEDC diligently works to identify, understand and, where possible, quantify these risks associated with current and potential operations to ensure the appropriate action is implemented to properly address them. The Corporation uses several methods to mitigate these risks, including but not limited to loss prevention/risk engineering, contractual risk transfer, and the use of financial and commercial insurance products.

22. Subsequent Events

Management evaluated subsequent events through September 30, 2026, the date the financial statements were available to be issued. Management has determined that there are no subsequent events that require recognition or disclosure in these financial statements.

Required Supplementary Information

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Schedule of Changes in Net OPEB Liability
(In Thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:									
Service cost	**$ 174**	$ 290	$ 239	$ 344	$ 473	$ 407	$ 380	$ 531	$ 561
Interest	**916**	1,125	946	856	832	897	816	704	666
Changes of benefit terms	**–**	(4,963)	–	–	–	–	900	–	–
Difference between expected and actual experience	**(1,498)**	(546)	1,428	(185)	(277)	(99)	1,440	(206)	(103)
Changes in assumptions	**3,396**	(789)	2,579	(1,963)	(7,483)	2,379	(1,177)	(3,180)	(147)
Benefit payments	**(566)**	(351)	(356)	(375)	(408)	(330)	(208)	(201)	(225)
Net change in total OPEB liability	**2,422**	(5,234)	4,836	(1,323)	(6,863)	3,254	2,151	(2,352)	752
Total OPEB liability – beginning	**16,032**	21,266	16,430	17,753	24,616	21,362	19,211	21,563	20,811
Total OPEB liability – ending (a)	**$ 18,454**	$ 16,032	$ 21,266	$ 16,430	$ 17,753	$ 24,616	$ 21,362	$ 19,211	$ 21,563
Total fiduciary net position:									
Contributions – employer	**$ –**	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 20,000
Net investment income	**2,455**	1,954	1,588	369	(3,470)	1,294	2,434	1,195	–
Administrative expenses paid by the Trust	**(128)**	(109)	(120)	(96)	(116)	(98)	(36)	–	–
Benefit payments	**(566)**	(351)	(356)	(375)	(408)	(330)	–	–	–
Benefits and expenses payable	**–**	–	–	–	–	–	(524)	–	–
Net change in fiduciary net position	**1,761**	1,494	1,112	(102)	(3,994)	866	1,874	1,195	20,000
Trust fiduciary net position – beginning	**22,445**	20,951	19,839	19,941	23,935	23,069	21,195	20,000	–
Trust fiduciary net position – ending (b)	**$ 24,206**	$ 22,445	$ 20,951	$ 19,839	$ 19,941	$ 23,935	$ 23,069	$ 21,195	$ 20,000
Corporation's net OPEB (asset) liability – end of fiscal year (a-b)	**$ (5,752)**	$ (6,413)	$ 315	$ (3,409)	$ (2,188)	$ 681	$ (1,707)	$ (1,984)	$ 1,563
Trust fiduciary net position as a percentage of the total OPEB liability	**131%**	140%	99%	121%	112%	97%	108%	110%	93%

This schedule is intended to present information for 10 years. Additional years will be presented when available.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Schedule of Changes in Net OPEB Liability (continued)
(In Thousands)

Notes to Schedule

Changes of Assumptions:

1. Discount rate was changed from 5.58% at June 30, 2025, to 5.75% at June 30, 2026.

2. Per capita claims costs were updated based on the revised census and 2026 plan self-funded budget and fully insured premium rates.

3. Participation assumptions, including spouse election rates and spousal age difference assumptions, were updated to better reflect expected future experience.

4. Health care cost trend rates were updated to reflect 10.65% grading down to an ultimate rate of 4.85% for Non-Medicare, 10.00% grading down to an ultimate rate of 4.85% for Medicare

5. The mortality assumption was updated to reflect the latest public sector mortality table published by the Society of Actuaries.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Schedule of OPEB Contributions
(In Thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	**$ –**	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Contributions in relation to the actuarially determined contribution	–	–	–	–	–	–	–	–	20,000
Contribution deficiency (excess)	**$ –**	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ (20,000)
Covered-employee payroll	**$ 7,459**	$ 6,909	$ 7,478	$ 7,380	$ 7,903	$ 8,031	$ 8,405	$ 8,018	$ 8,231
Contributions as a percentage of covered-employee payroll	**–%**	–%	–%	–%	–%	–%	–%	–%	243%

Valuation dates:	June 30, 2026
Actuarial cost method:	Entry age normal, level percent of pay; service costs are attributed through all assumed ages of exit from active service.
Amortization method:	N/A
Asset valuation method:	Market values
CPI:	3.0% per annum
Salary increases:	4.25% per annum
Investment rate of return:	5.75% for 2026
Health care trend rates:	10.65% grading down to an ultimate rate of 4.85% for Non-Medicare, 10.00% grading down to an ultimate rate of 4.85% for Medicare
Mortality:	Based on the Pub-2016 Above Median Headcount Weighted General Mortality table with application of the MP-2021 improvement scale on a fully generational basis.
Benefit changes:	None

This schedule is intended to present information for 10 years. Additional years will be presented when available.

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Schedule of Investment Returns

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	**10.5%**	9.3%	7.8%	1.8%	(15.8)%	5.6%	11.5%	6.0%	–%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Supplementary Information

New York City Economic Development Corporation
(A Component Unit of The City of New York)

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
(In Thousands)

	Total Unrestricted	Maritime Fund	NYC Ferry	Adjustment	Total Maritime and NYC Ferry	NYC Ferry Fleet, LLC	Brooklyn Army	Other Properties	Finance Programs	Capital Programs	Public Purpose and Other Fund	Apple 42nd Street	Total	Adjustments for GASB 87	June 30, 2026	June 30, 2025
Operating revenues:																
Grants	$ 115,333	$ –	$ 4,020	$ –	$ 4,020	$ –	$ –	$ –	$ –	$ 709,002	$ 2,381	$ –	$ 830,736	$ –	$ 830,736	$ 822,380
Property rentals and lease revenues	58,096	101,509	–	–	101,509	–	34,741	5,114	–	–	–	91,463	290,923	(43,256)	247,667	219,153
Real estate sales, net	8,591	–	–	–	–	–	–	–	–	–	–	–	8,591	–	8,591	8,000
Ferry related revenues	–	–	25,041	(25,041)	–	–	–	–	–	–	–	–	–	–	–	–
Fee income	21,292	33	–	–	33	–	129	–	3	–	24	98	21,579	–	21,579	13,447
Other income	18,692	13,372	1,970	(1,970)	13,372	–	7,556	65	245	–	1,603	649	42,182	–	42,182	39,624
Other Income – 42nd Street	57,934	–	–	–	–	–	–	–	–	–	–	(57,934)	–	–	–	–
Total operating revenues	279,938	114,914	31,031	(27,011)	118,934	–	42,426	5,179	248	709,002	4,008	34,276	1,194,011	(43,256)	1,150,755	1,102,604
Operating expenses:																
Project costs	136,441	–	–	–	–	–	–	–	–	–	9,386	–	145,827	–	145,827	130,800
Program costs	–	–	–	–	–	–	–	–	1,652	709,002	–	–	710,654	–	710,654	696,986
Property rentals and related operating expenses	19,361	74,747	–	–	74,747	–	32,533	5,626	–	–	–	1,884	134,151	–	134,151	123,142
Ferry related expenses	–	–	81,200	(27,011)	54,189	–	–	–	–	–	–	–	54,189	–	54,189	52,905
Personnel services	82,004	14,047	–	–	14,047	–	2,951	572	–	–	49	232	99,855	–	99,855	86,135
Contract and other expenses to The City	11,997	–	–	–	–	–	–	–	–	–	–	26,943	38,940	–	38,940	28,441
Office rent	11,726	–	–	–	–	–	–	–	–	–	–	–	11,726	(11,726)	–	–
Depreciation and amortization	4,858	303	–	–	303	9,322	830	7	–	–	–	–	15,320	10,617	25,937	25,698
Other general expenses	17,841	3,191	–	–	3,191	–	–	–	24	–	46	–	21,102	(438)	20,664	29,518
Total operating expenses	284,228	92,288	81,200	(27,011)	146,477	9,322	36,314	6,205	1,676	709,002	9,481	29,059	1,231,764	(1,547)	1,230,217	1,173,625
Operating income (loss)	(4,290)	22,626	(50,169)	–	(27,543)	(9,322)	6,112	(1,026)	(1,428)	–	(5,473)	5,217	(37,753)	(41,709)	(79,462)	(71,021)
Non-operating revenues (expenses):																
Income (loss) from investments	11,744	922	–	–	922	–	–	587	1,297	–	1,677	2,194	18,421	–	18,421	21,659
Interest revenue – leases	–	–	–	–	–	–	–	–	–	–	–	–	–	49,558	49,558	54,030
Interest expense – leases	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,284)	(2,284)	(2,390)
Other non-operating income/(expense)	(2,205)	–	–	–	–	–	–	–	–	–	–	–	(2,205)	–	(2,205)	(716)
Total non-operating revenues (expenses)	9,539	922	–	–	922	–	–	587	1,297	–	1,677	2,194	16,216	47,274	63,490	72,583
Income before transfers	5,249	23,548	(50,169)	–	(26,621)	(9,322)	6,112	(439)	(131)	–	(3,796)	7,411	(21,537)	5,565	(15,972)	1,562
Interfund transfers	8,378	(23,276)	23,548	–	272	–	(6,961)		(1,689)	–	–	–	–	–	–	–
Change in net position	13,627	272	(26,621)	–	(26,349)	(9,322)	(849)	(439)	(1,820)	–	(3,796)	7,411	(21,537)	5,565	(15,972)	1,562
Total net position, beginning of fiscal year	532,580	7,944	(153,984)	–	(146,040)	179,147	12,016	3,241	52,095	3,012	50,655	24,065	710,771	3,150	713,921	712,359
Unrestricted net position, end of fiscal year	498,652	7,000	(181,255)	–	(174,255)	–	–	–	–	–	–	–	324,397	43,362	367,759	347,943
Restricted net position, end of fiscal year	–	–	–	–	–	–	500	2,672	50,275	3,012	46,859	31,476	134,794	3,662	138,456	162,034
Net investment in capital assets, end of fiscal year	47,555	1,216	650	–	1,866	169,825	10,667	130	–	–	–	–	230,043	(38,309)	191,734	203,944
Net position, end of fiscal year	$ 546,207	$ 8,216	$ (180,605)	$ –	$ (172,389)	$ 169,825	$ 11,167	$ 2,802	$ 50,275	$ 3,012	$ 46,859	$ 31,476	$ 689,234	$ 8,715	$ 697,949	$ 713,921

III. Government Auditing Standards Section

Ernst & Young LLP
One Manhattan West
New York, NY 10001

Tel: +1 212 773 0000
ey.com

Shape the future
with confidence

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
New York City Economic Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the fiduciary activities of the New York City Economic Development Corporation (the Corporation), a component unit of The City of New York, as of and for the year ended June 30, 2026, and the related notes to the financial statements which collectively comprise the Corporation's basic financial statements, (collectively referred to as the "basic financial statements") and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Shape the future
with confidence

Purpose of This Report

The purpose of this report is solely to describe the scope of our 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 or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

September 30, 2026