



**APPLE INDUSTRIAL DEVELOPMENT CORP.
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW
INTERNAL CONTROL ASSESSMENT
FOR FISCAL YEAR-ENDING 6/30/2013**

Apple Industrial Development Corp. (“Apple”) enters into an annual contract with the New York City Economic Development Corporation (“NYCEDC” or the “Corporation”) pursuant to which Apple performs property management services for NYCEDC.

During Fiscal Year 2013, the following audit relating to Apple was performed by the Corporation’s Internal Audit Department, on behalf of Ernst & Young, in the following area:

- Fiscal Year-End 2013 Apple Lease Administration

The purpose of this examination was to audit the system of internal control over:

- a) financial statement balance(s) or on the particular financial statement balance(s); and
- b) efficiency and effectiveness of operational functions.

As a result of the above-mentioned audit, there were no significant findings noted.

Apple’s Audit Committee was apprised of the audit results and formal reports were provided to Apple Management.

Based on the above noted independent review, and management’s assessment of financial reporting controls, the Corporation believes their overall systems of internal controls are effective for the reporting period.