New York City Housing Development Corporation

2025 audit plan

October 20, 2025

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

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Shape the future with confidence

Executive summary

What's new and next

What's new:

- New accounting pronouncements
  - GASB 101, Compensated Absences
  - GASB 102, Certain Risk Disclosures
  - GASB 103, Financial Reporting Model Improvements

What's next:

Actions the team is taking in the near term

- Performing audit planning procedures
- Performing confirmation procedures as of interim date
  - Mortgage Receivables
  - Debt
  - Interest Rate Swaps
- Performing walkthroughs of select processes
- Interim data analytical procedures

2025 audit plan

On-site procedures planned for 2025 audit

Interim procedures

- October through November 2025
- Year-end procedures: November through January 2026
  - Increased focus on procedures during October through December
- Expected filing – late January 2026

Uniform Guidance Audit Plan

- Expected filing – late January 2026

USAP Audit Plan

- Expected filing – late January 2026

2025 Audit Services

2025 audit and related services

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

- The financial statements of the Corporation and the accompanying supplementary information in relation to the financial statements as a whole
- The Corporation's Schedule of Federal Awards as required by the Uniform Guidance

Issue a written communication to

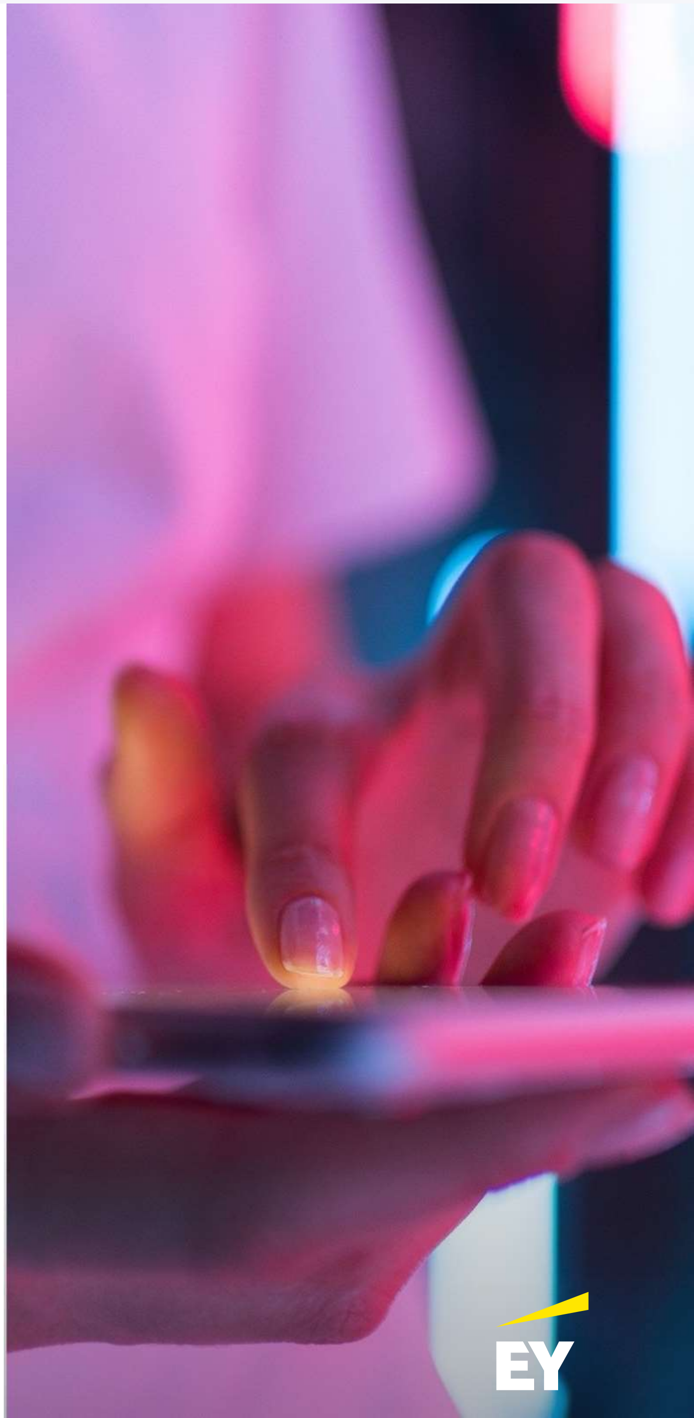
- Management and the Audit Committee describing significant deficiencies and material weaknesses identified during our audit, if any
- Issue a management letter including recommendations for improvements in controls and procedures (if applicable)

Internal Control and Compliance Communications

- Issue a Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*
- Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Other attestation services

- Report on the Corporation's compliance with minimum servicing requirements
- Report related to the "Investment Guidelines for Public Authorities" issued by the State and investment guidelines established by the Corporation



Areas of emphasis

Topic	Considerations
Operating revenue, including interest on mortgage loans and fees	We will use data analytical procedures to risk assess and confirm our understanding of the accounting and flow of the various revenue streams. We will perform analytics such as correlation analyses between revenue, receivables and cash in order to identify and investigate unusual transactions.
Operating expenses, including general and interest expenses	We will use data analytical procedures to risk assess and confirm our understanding of the accounting and flow of the operating expense transactions. We will perform analytics such as correlation analyses between trade accounts payable, expenses and cash in order to identify and investigate unusual transactions. For a sample of operating expenses, we will trace the item to source documentation and cash and test for proper classification. We will also utilize data analytics to perform completeness and cutoff procedures.
Cash and investments	We will confirm significant cash and investment balances and agree responses to the Corporation's accounts and related reconciliations. Investments will be tested to determine that they are properly valued and all risk disclosures will be evaluated. We will also test the Corporation’s compliance with the Investment Guidelines.
Mortgage receivable and allowances	We will confirm a selection of the Corporation's mortgage receivable balances and utilize data analytical procedures. The Corporation's methodology for recording allowances and writing off old balances will be tested and evaluated for and significant judgments made by management in establishing the balance(s).
Debt	We will confirm all outstanding debt and review the accounting and reporting for debt transactions, including debt compliance and interest rate swaps.
Risk of management override of controls	Professional standards require that we consider the risk of management override of controls to be a fraud risk on all audits. We will design our audit procedures, including our journal entry testing, to be responsive to this risk.
Compliance with Uniform Guidance (Single Audit)	We will perform testing over federal programs determined to be major programs based on final expenditures.

Appendices

Appendix A

Required communications

Required communications

Area	Comments
Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities	Refer to the engagement letter.
Overall planned scope and timing of the audit, and significant risks identified and any changes thereto	Refer to the executive summary and areas of emphasis for additional information.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention	There are no matters to communicate.
Independence matters	There are no matters to communicate
Inquiries regarding: ▪ Risks of material misstatement ▪ Fraud and noncompliance with laws and regulations (illegal acts) ▪ Related party relationships and transactions	Inquiries regarding these matters are made throughout the audit. We are not aware of any matters to be reported.

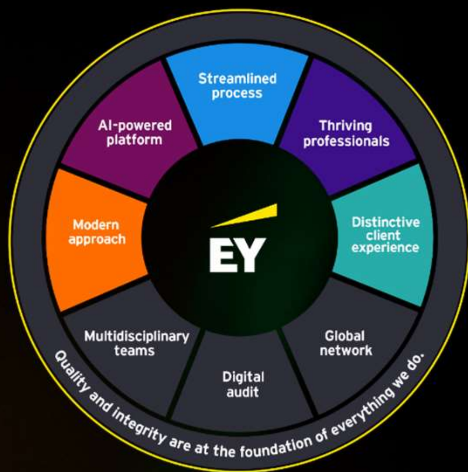
Appendix B

Leading the way with confidence

Leading the way with confidence

Our transformation

is driving sustained audit quality while enhancing the experience for NYCHDC and our people.



Our approach

- **Streamlining the audit** through continuous improvement – *the EY Way*
- Using centralized teams and a standardized approach to **drive consistency**
- **Accelerating the use of AI and advanced data analytics** responsibly
- Enhancing our talent model to **build confidence and unlock potential**
- Providing a **differentiated client experience** with business and sector insights

Our results

#1 auditor of companies on Fortune 1000 and Russell 3000

Exceptional talent

95% Lean Six Sigma White Belt certified

81% of audit professionals say their EY experience is exceptional

85% Retention of top performers

Our PCAOB inspection findings rate has improved dramatically

<10% Expected 2025 PCAOB inspection findings – **among the best ever** in firm history

EY | Building a better working world

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

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

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

All in to shape the future with confidence.

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

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

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

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