

A nighttime photograph of a city skyline with several tall, illuminated skyscrapers. In the foreground, a body of water reflects the city lights, and colorful light trails from moving vehicles create vibrant streaks across the lower half of the image. A yellow and blue geometric frame is overlaid on the left side, containing the title and date.

New York City Housing Development Corporation

2026 audit plan

October 1, 2026



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



Shape the future
with confidence



What's new and next

New: Related Accounting Pronouncements

- GASB 104, Disclosure of Certain Capital Assets

New: Future of Audit. Now. AI Journey

Next: Actions the team is taking near term

- Performing audit planning procedures
- Performing confirmation procedures as of an interim date
 - Mortgage Receivables
- Performing walkthroughs of selected processes

2026 audit and attestation plan

On-site procedures planned for 2026 audit

Interim procedures: End of August to late September

Year-end procedures: mid-November 2026 to late January 2027

- Expected filing - late January 2027

Uniform Guidance Audit Plan

- Expected filing - late January 2027

USAP Audit Plan

- Expected filing - late January 2027

2026 Audit Services

2026 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

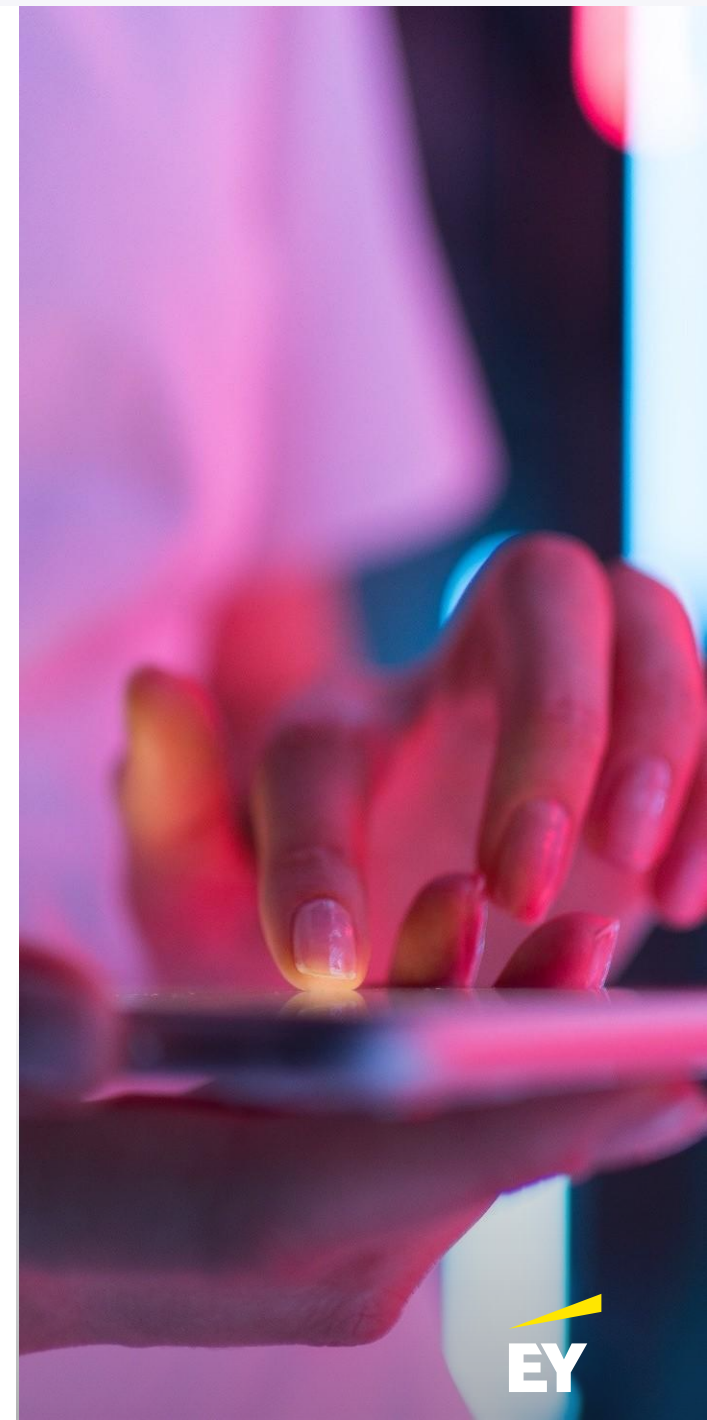
- Management and the Audit Committee describing significant deficiencies and material weaknesses identified during our audit, if any.
- Issue a management letter including recommendations for improvements in controls and procedures (if applicable)

Internal Control and Compliance Communications

- Issue a Report on Internal control over Financial Reporting and on Compliance and Other Matters Based on the 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 Includes interest on mortgage loans and fees	We will perform analytical procedures to assess and confirm our understanding of the flow of various revenue streams over Mortgage Interest Revenue and Mortgage Interest Cash Flows based on historical data averages.
Interest expenses Including Derivative Interest Rate Swaps and Bond interest and amortization expense	We will perform analytical procedures to assess and confirm our understanding of the flow of interest expense transactions over derivative swaps. This includes obtaining initiating an interest swap confirmation request over interest rate caps as well as assessing the historical bond interest expense average from previous years.
Cash and Cash Equivalent 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 they are properly valued and all risk disclosures will be evaluated. We will also test the Corporation's compliance with the Investment Guidelines.
Mortgage Receivables and Allowances	We will confirm a selection of the Corporation's mortgage receivable balances. 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 outstanding debt and review the accounting and reporting for debt transactions, including debt compliance and interest rate swaps.
Compliance with Uniform Guidance (Single Audit)	We will perform testing over federal programs determined to be major programs based on final expenditures
Risk of management override of controls ¹	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, which we will conduct throughout the year using our data enabled approach, to be responsive to this risk.

¹ Areas indicate accounts or transactions identified as having significant risks, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations.

Transforming to drive audit quality

We are making **significant investments** to transform our audit practice leading to a **high-quality, efficient and technology-led audit experience:**

Professional of the Future

- Expanded opportunities for EY professionals to broaden critical skill sets
- Investments in compensation and learning and development
- Opportunities to develop deep industry expertise

Technology and AI

- Tech-enabled process to perform risk assessments
- Next-gen, cloud-based GL analyzer
- Exploring AI to further automate tasks, bring sector-based insights
- Investment in data scientists to enhance the data-driven audit

Methodology and support

- Streamlining our methodology and employing intuitive tech and enablement
- Scaling specialists in centers of excellence
- Standardizing and simplifying our audit approach and work programs

Culture and organization

- Embedding continuous improvement principles in our culture
- Strengthening accountability framework
- Investing in industry-leading insights
- Realigning the audit practice to include IT professionals



A Required communications

B Future of Audit. Now. AI Journey

Appendix A

Required communications

A magnifying glass is positioned over a digital data visualization, which appears to be a bar chart or a similar data representation. The background is a blurred cityscape at night with colorful lights, suggesting a high-tech or urban environment. The magnifying glass is held by a hand, and its handle is visible on the right side. The data visualization is reflected on a surface below it.

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 previously provided
Fraud and noncompliance with laws and regulations (illegal acts)	We are not aware of any matters that require communication.
Overall planned scope and timing of the audit, and significant risks identified and any changes thereto	Refer to the executive highlights and areas of emphasis and planned responses for additional information.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention	There are no matters to communicate
Independence matters	We are not aware of any matters that in our professional judgment would impair our independence.
Obtaining information relevant to the audit	Inquiries regarding matters relevant to the audit are to be performed at this meeting: • Fraud, alleged fraud or suspected fraud • Noncompliance with laws and regulations (illegal acts) • Oversight of HDC's assessment of fraud risks • Tips or complaints affecting HDC's financial reporting • Significant unusual transactions • Related party relationships and transactions

Future of Audit. **Now.** AI journey

Accelerating our AI capabilities with agentic AI

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

VISION

Most trusted **AI** ASSURANCE PROVIDER

INVESTMENT

\$1b+

PLATFORM



One global, cloud-based platform

DATA

Microsoft Azure

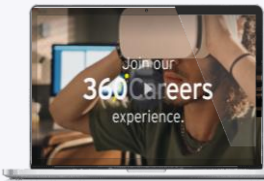


Global Assurance AI framework

SKILLS



Frontier Firm by Harvard



EY 360 Careers

ALLIANCES

120+ alliance partners

Value creation through AI and technology



MULTI-AGENT AI FRAMEWORK

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

Capabilities	What it does	Benefits for you
Task and workflow orchestration	Agents assign work, manage tasks and track completion.	Earlier execution, clearer accountability
Cross-workpaper review	Agents review documentation across files to flag inconsistencies and exceptions.	Improved consistency and faster review
Test of details *	Agents support routine testing, targeted release for expenses and prepaids.	Scalable testing with human oversight

* Targeted, phased releases.

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

All in to shape the future with confidence.

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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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