NEW YORK JOB DEVELOPMENT AUTHORITY

Combined Financial Statements
and Independent Auditors' Report

March 31, 2026 and 2025

NEW YORK JOB DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

The Authority Members
New York Job Development Authority:

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of the New York Job Development Authority (the "Authority"), a component unit of the State of New York, as of and for the years ended March 31, 2026 and 2025, and the related notes to combined financial statements, which collectively comprise the Authority's basic combined financial statements as listed in the table of contents.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2026 and 2025, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 combined financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Authority'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic combined financial statements. Such information is the responsibility of management and, although not a part of the basic combined 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 combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 combined financial statements, and other knowledge we obtained during our audit of the basic combined 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2026 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 16, 2026

NEW YORK JOB DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

March 31, 2026 and 2025

Our discussion and analysis of the New York Job Development Authority's ("JDA" or "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal years ended March 31, 2026 and 2025. Please read it in conjunction with the Authority's combined financial statements.

Overview

During the fiscal year ended March 31, 2026, the Authority continued its mission to spur job growth and capital investment in New York State (the "State") by using the authority granted to it and by leveraging State-guaranteed bonds to support low interest loans to manufacturers and other targeted industries throughout the State. The loan program provides financing to encourage the growth of manufacturing and other private sector business in the State without requiring appropriation of taxpayers' funds.

Since 1995, the Authority has done business as Empire State Development ("ESD") and has been administratively consolidated with the New York State Urban Development Corporation ("UDC") d/b/a Empire State Development. The Authority had a restricted net position balance of $222.4 million and $207.9 million at March 31, 2026 and 2025, respectively. The 2026 and 2025 net position of JDA is a result of improved collections of the reserved loans in the loan portfolio, the absorption of personnel costs by UDC, and the consolidation of the net position of the New York Liberty Development Corporation ("NYLDC"), Brooklyn Arena Local Development Corporation ("BALDC"), New York Transportation Development Corporation ("NYTDC") and New York Energy Finance Development Corporation ("NYEFDC").

NYLDC was created in 2002 to provide a vehicle for the State to issue Liberty Bonds in the wake of the terrorist attacks of September 11, 2001. BALDC was created in November 2008 to finance certain components of the Atlantic Yards Land Use Improvement and Civic Project. NYTDC was created in 2015 to relieve and reduce unemployment, to promote and provide for additional and maximum employment, to improve, better and maintain job opportunities, and to lessen the burdens of government in the State.

In October 2003, the Authority created the Empire State Local Development Corporation ("ESLDC"), which has state-wide jurisdiction to carry out various economic development initiatives through the use of pass-through grants received from outside sources.

In June 2010, the Authority created the Canal Side Local Development Corporation ("CSLDC") and filed the certificate of incorporation in February 2012. CSLDC was created to help facilitate the financing of the Canal Side Land Use Improvement Project in Buffalo.

In April 2024, the Authority created the NYEFDC to relieve and reduce unemployment, to promote and provide for additional and maximum employment, to improve, better and maintain job opportunities, and to lessen the burdens of government in the State.

Summarized Statements

The following is a summary of the Authority's financial information as of and for the years ended March 31, 2026, 2025 and 2024:

Summary of Combined Statements of Net Position

Assets	2026	2025	2024
Current assets:			
Cash and equivalents	$ 11,918,319	3,233,199	4,373,117
Cash and equivalents - restricted	57,057	57,057	57,057
Temporary investments in marketable securities	260,250,550	222,795,905	202,540,800
Accrued interest receivable	81,566	58,069	39,565
Prepaid insurance	-	-	6,925
Prepaid energy supplies	29,772,065	-	-
Loans receivable, net	1,114,513	1,358,165	1,404,111
Total current assets	303,194,070	227,502,395	208,421,575
Noncurrent assets:			
Loans receivable, net	13,911,265	15,034,701	16,347,678
Prepaid energy supplies	868,351,902	-	-
Costs recoverable from future billings	52,221,435	-	-
Total noncurrent assets	934,484,602	15,034,701	16,347,678
Total assets	1,237,678,672	242,537,096	224,769,253
Deferred outflows of resources - deferred loss on fair value derivatives	26,494,051	-	-
Liabilities			
Current liabilities:			
Due to New York State Urban Development Corporation	20,677,083	29,730,343	28,765,930
Accounts payable and accrued expenses	15,828,491	131,007	590,683
Current portion of limited obligation debt	984,353	-	-
Total liabilities	37,489,927	29,861,350	29,356,613
Noncurrent liabilities:			
Fair value of derivative instruments	26,494,051	-	-
Limited obligation debt	972,901,296	-	-
Total noncurrent liabilities	999,395,347	-	-
Total liabilities	1,036,885,274	29,861,350	29,356,613
Deferred inflows of resources - unearned revenue	4,915,392	4,733,299	4,517,492
Net position - restricted	$ 222,372,057	207,942,447	190,895,148

Summary of Combined Statements of Revenue,
Expenses and Changes in Net Position

	2026	2025	2024
Operating revenue:			
Energy delivery	$ 25,004,246	-	-
Loan interest	662,780	751,592	766,828
Grant expense	-	-	1,840,727
Bond fee income	3,407,450	5,383,719	4,904,460
Other revenue	2,981,364	1,719,410	1,588,595
Total operating revenue	32,055,840	7,854,721	9,100,610
Operating expenses:			
Prepaid energy supply delivery	21,527,636	-	-
Provision for loss on loans receivable and loan guarantees	46,876	-	13,333
Credit and bond related fees	64,750	55,000	46,000
General and administrative	804,359	88,646	74,421
Grant expense	-	-	1,840,727
Total operating expenses	22,443,621	143,646	1,974,481
Operating income	9,612,219	7,711,075	7,126,129
Non-operating revenue (expenses):			
Investment income	9,092,959	10,235,335	9,641,216
Cost of bond issuance	(24,272,629)	-	-
Bond interest expense	(31,490,403)	-	-
Costs recoverable from future billings	52,221,435	-	-
Interest expense - New York State Urban Development Corporation	(733,971)	(899,111)	(897,796)
Non-operating revenue (expenses), net	4,817,391	9,336,224	8,743,420
Change in net position	14,429,610	17,047,299	15,869,549
Net position - restricted at beginning of year	207,942,447	190,895,148	175,025,599
Net position - restricted at end of year	$ 222,372,057	207,942,447	190,895,148

Liquidity

Fiscal Year Ended March 31, 2026

The Authority's Cash and equivalents, restricted cash and temporary investments totaled approximately $272.2 million and $226.1 million at March 31, 2026 and 2025, respectively. The $46.1 million increase is primarily due to the following:

- Receipts from the New York Power Authority generated $25.0 million;
- Bond issuance proceeds of $974.7 million;
- Bond fee income generated cash of $3.4 million related to NYEFDC bonds and other debt issuances of approximately $944.2 million;
- Loan principal and interest collections of $2.8 million;
- Bond administration and application fee receipts of $2.1 million;
- Interest on investments of $8.4 million; and
- Transportation Economic Development and Infrastructure Renewal program grant disbursements of $0.2 million.

These increases are offset by $0.1 million in bond expenses; $14.1 million paid to swap counter parties; $0.8 million for general and administrative expense; $9.1 million paid to UDC; $905.6 million paid for the purchase of prepaid energy agreements; $24.3 million of bond issuance costs; and $16.5 million of bond interest payments.

Beginning in Fiscal Year 2026, the Authority's Financing Lease receivable related to Energy Future contracts totaled $905.6 million. The Authority's Loans receivable, net balance totaled $15.0 million and $16.4 million at March 31, 2026 and 2025, respectively. The $1.4 million decrease is primarily due to loan principal collections totaling $1.5 million net of an allowance of $0.1 million.

Cash generated from operations exceeded the Authority's operating requirements for the year ended March 31, 2026 by approximately $7.8 million, primarily due to receipt of the following:

- Cash receipts from the New York Power Authority of $25.0 million;
- Loan interest and financing income of $1.3 million;
- Bond fee income of $3.4 million related to NYEFDC bond and other debt issuances; and
- Other operating cash receipts of $2.2 million related to contractual and program related fees.

These receipts are offset by $14.1 million paid to swap counter parties; $9.1 million paid to UDC; $0.8 million in general and administrative expense; and $0.1 million in cash paid for bond expenses.

Fiscal Year Ended March 31, 2025

The Authority's Cash and equivalents, restricted cash and temporary investments totaled approximately $226.1 million and $207.0 million at March 31, 2026 and 2025, respectively. The $19.1 million increase is primarily due to the following:

- Bond fee income generated cash of $5.4 million related to NYTDC bonds and other debt issuances of approximately $4,495.6 million;
- Loan principal and interest collections of $2.2 million;
- Bond administration and application fee receipts of $1.7 million; and
- Interest on investments of $10.2 million.

These increases are offset by $0.1 million in bond expenses and $0.3 million of Transportation Economic Development and Infrastructure Renewal program grant disbursements.

The Authority's Loans receivable, net balance totaled $16.4 million and $17.8 million at March 31, 2025 and 2024, respectively. The $1.4 million decrease is primarily due to loan principal collections totaling $1.5 million offset by a decrease in the allowance of $0.1 million.

Cash generated from operations exceeded the Authority's operating requirements for the year ended March 31, 2025 by approximately $7.7 million, primarily due to receipt of the following:

- Bond fee income of $5.4 million related to NYTDC bond and other debt issuances;
- Loan interest income of $0.7 million; and
- Other operating cash receipts of $1.7 million related to contractual and program related fees.

These receipts are offset by $0.1 million in cash paid for bond expenses.

Change in Net Position

Fiscal Year Ended March 31, 2026

The change in net position for the Fiscal Year ended March 31, 2026 was an increase of $14.4 million compared with an increase of $17.0 million in fiscal 2025. The $2.6 million decrease is primarily due to the following increases:

- NYEFDC cost of bond issuance increase of $24.3 million;
- NYEFDC bond interest expense increase of $31.5 million;
- NYEFDC prepaid energy supply delivery expense increased $21.5 million;
- Bond fee income decrease of $2.0 million due to a decrease in NYTDC bond issuance fees of $5.4 million offset by an increase in NYEFDC bond issuance fees of $3.4 million;
- Interest on investments decrease of $1.1 million; and
- General and administrative expense increased $0.7 million.

These increases were offset by:

- NYEFDC costs recoverable from future billings increased $52.2 million;
- NYEFDC energy delivery revenue increased $25.0 million; and
- Other revenue increase of $1.3 million related to interest on loans and financing income.

Fiscal Year Ended March 31, 2025

The change in net position for the Fiscal Year ended March 31, 2025 was $17.0 million compared with $15.9 million in fiscal 2024. The $1.1 million increase is primarily due to the following increases:

- Bond fee income decrease of $0.5 million related to NYTDC; and
- Interest on investments increase of $0.6 million.

Revenue

Fiscal Year Ended March 31, 2026

Operating revenue was approximately $32.1 million in fiscal 2026 compared to $7.9 million in fiscal 2025. The $24.2 million increase is primarily due to increases in NYEFDC energy delivery revenue of $25.0 million and other revenue of $1.3 million, offset by decreases in Bond fee income of $2.0 million related to NYTDC and NYEFDC bond issuances and loan interest of $0.1 million.

Energy delivery revenue increased $25.0 million due to first year operations of NYEFDC.

Other revenue increased by approximately $1.3 million, primarily due to an increase in loans and financing income as well as an increase in application and commitment fees.

Bond fee income decreased by approximately $2.0 million due to a decrease in NYTDC bond issuance fees of $5.4 million offset by an increase in NYEFDC bond issuance fees of $3.4 million.

Loan interest decreased by approximately $0.1 million, primarily due to amortization of the loan portfolio and no new loans being issued.

Non-operating revenue (expense) decreased by $4.5 million, primarily due to the cost of bond issuance and bond interest expense related to NYEFDC, offset by costs recoverable from future billings.

Fiscal Year Ended March 31, 2025

Operating revenue was approximately $7.9 million in fiscal 2025 compared to $9.1 million in fiscal 2024. The $1.2 million decrease is primarily due to a decrease in grant income of $1.8 million, offset by increases in Bond fee income of $0.5 million related to NYTDC bond issuances and other revenue of $0.1 million.

Grant income through ESLDC decreased by $1.8 million.

Bond fee income increased by approximately $0.5 million due to an increase in NYTDC bonds and other debt issuances during the Fiscal Year.

Other revenue increased by approximately $0.1 million, primarily due to an increase in application and commitment fees.

Non-operating revenue increased by $0.6 million due to higher interest rates on investments throughout the year.

Expenses

Fiscal Year Ended March 31, 2026

Operating expenses were $22.4 million for the Fiscal Year ended March 31, 2026, compared to $0.2 million for the Fiscal Year ended March 31, 2025. The $22.2 million increase is primarily due to increases of prepaid energy supply delivery of $21.5 million and general and administrative expense of $0.7 million.

During the Fiscal Year, there was one new loan issued for $0.8 million. There were no new Special Purpose loans approved.

Fiscal Year Ended March 31, 2025

Operating expenses were $0.2 million for the Fiscal Year ended March 31, 2025, compared to $2.0 million for the Fiscal Year ended March 31, 2024. The $1.8 million decrease is primarily due to a $1.8 million decrease in grant expense.

During the Fiscal Year, no new loans were issued. There was one new Special Purpose Fund loan approved for $0.8 million, but not closed.

Request for Information

This financial report is designed to provide a general overview of the New York Job Development Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Chief Financial Officer, New York Job Development Authority d/b/a Empire State Development, 655 Third Avenue, New York, New York 10017.

COMBINED FINANCIAL STATEMENTS

NEW YORK JOB DEVELOPMENT AUTHORITY
Combined Statements of Net Position
March 31, 2026 and 2025

Assets	2026	2025
Current assets:		
Cash and equivalents	$ 11,918,319	3,233,199
Cash and equivalents - restricted	57,057	57,057
Temporary investments in marketable securities	260,250,550	222,795,905
Accrued interest receivable	81,566	58,069
Prepaid energy supplies	29,772,065	-
Loans receivable, current portion, net of allowance of $1,282,232 in 2026 and $1,379,477 in 2025	1,114,513	1,358,165
Total current assets	303,194,070	227,502,395
Noncurrent assets:		
Loans receivable, net	13,911,265	15,034,701
Prepaid energy supplies	868,351,902	-
Costs recoverable from future billings	52,221,435	-
Total noncurrent assets	934,484,602	15,034,701
Total assets	1,237,678,672	242,537,096
Deferred outflows of resources - deferred loss on fair value derivatives	26,494,051	-
Liabilities		
Current liabilities:		
Due to New York State Urban Development Corporation	20,677,083	29,730,343
Accounts payable and accrued expenses	15,828,491	131,007
Current portion of limited obligation debt	984,353	-
Total liabilities	37,489,927	29,861,350
Noncurrent liabilities:		
Fair value of derivative instruments	26,494,051	-
Limited obligation debt	972,901,296	-
Total noncurrent liabilities	999,395,347	-
Total liabilities	1,036,885,274	29,861,350
Deferred inflows of resources - unearned income	4,915,392	4,733,299
Commitments and contingencies (notes 12 and 13)		
Net position - restricted	$ 222,372,057	207,942,447

See accompanying notes to combined financial statements.

NEW YORK JOB DEVELOPMENT AUTHORITY
Combined Statements of Revenue, Expenses and Changes in Net Position
Years ended March 31, 2026 and 2025

	2026	2025
Operating revenue:		
Energy delivery	$ 25,004,246	-
Loan interest	662,780	751,592
Bond fee income	3,407,450	5,383,719
Other revenue	2,981,364	1,719,410
Total operating revenue	32,055,840	7,854,721
Operating expenses:		
Prepaid energy supply delivery	21,527,636	-
Provision for loss on loans receivable and loan guarantees	46,876	-
Credit and bond related fees	64,750	55,000
General and administrative	804,359	88,646
Total operating expenses	22,443,621	143,646
Operating income	9,612,219	7,711,075
Non-operating revenue (expenses):		
Investment income	9,092,959	10,235,335
Cost of bond issuance	(24,272,629)	-
Bond interest expense	(31,490,403)	-
Costs recoverable from future billings	52,221,435	-
Interest expense - New York State Urban Development Corporation	(733,971)	(899,111)
Non-operating revenue (expenses), net	4,817,391	9,336,224
Change in net position	14,429,610	17,047,299
Net position - restricted at beginning of year	207,942,447	190,895,148
Net position - restricted at end of year	$ 222,372,057	207,942,447

See accompanying notes to combined financial statements.

NEW YORK JOB DEVELOPMENT AUTHORITY
Combined Statements of Cash Flows
Years ended March 31, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Cash received from NYPA	$ 25,004,246	-
Cash received from interest on loans and financing arrangements	1,313,941	672,700
Cash received from bond and related fees	3,407,450	5,383,719
Other operating cash receipts	2,127,067	1,686,805
Cash paid for related bond expenses	(64,750)	(55,000)
Cash paid to derivatives counterparties, net	(14,084,620)	-
Cash paid for general and administrative expenses	(842,708)	(1,095)
Cash paid to UDC	(9,053,260)	-
Net cash provided by operating activities	7,807,366	7,687,129
Cash flows from financing activities:		
Acquisition of prepaid energy supply	(905,566,983)	-
Cash received for NYEFDC bond proceeds	974,664,928	-
Cash paid for NYEFDC cost of bond issuance	(24,272,629)	-
Bond interest payments	(16,533,849)	-
Net cash provided by financing activities	28,291,467	-
Cash flows from investing activities:		
Proceeds from sale of temporary investments in marketable securities	782,534,500	549,614,838
Purchase of temporary investments in marketable securities	(820,037,609)	(570,290,446)
Interest on investments	8,407,451	10,655,837
Principal collected on loans receivable	1,499,851	1,476,917
Reduction of Port Authority appropriation for grant disbursements	182,094	(284,193)
Net cash used in investing activities	(27,413,713)	(8,827,047)
Net change in cash and equivalents	8,685,120	(1,139,918)
Cash and equivalents at beginning of year	3,233,199	4,373,117
Cash and equivalents at end of year	$ 11,918,319	3,233,199

(Continued)

See accompanying notes to combined financial statements.

NEW YORK JOB DEVELOPMENT AUTHORITY
Combined Statements of Cash Flows, Continued

		2026	2025
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	9,612,219	7,711,075
Adjustments to reconcile operating income to net cash provided by operating activities:			
Operating expenses paid by UDC		(9,053,260)	65,302
Provision for loss on loans receivable, loan guarantees and financing arrangements		(97,245)	(57,105)
Amortization - deferred lease premiums		(35,518)	(60,888)
Changes in:			
Prepaid energy supply delivery		7,443,016	-
Accounts payable and accrued expenses		(38,349)	40,324
Accrued interest receivable		(23,497)	(18,504)
Prepaid insurance		-	6,925
Net cash provided by operating activities	$	7,807,366	7,687,129

See accompanying notes to combined financial statements.

Note 1 - Corporate Background and Activities

(a) General

New York Job Development Authority (the "Authority" or "JDA"), doing business as Empire State Development ("ESD"), is a public benefit corporation organized and existing under the laws of the State of New York (the "State"). The Authority's mission is to spur job growth and capital investment in the State by using authority granted to it and by leveraging State-guaranteed bonds to support low interest loans to manufacturers and other targeted industries throughout the State. As a public benefit corporation, the Authority is tax-exempt. The Authority is a component unit of the State and, as such, its combined financial statements are included in the State's general purpose financial statements.

(b) Activities

The principal activity of the Authority is providing business and industry loans, described in the New York Job Development Authority Act as "Special Purpose Loans." All such loans are made to entities with operations in the State and are provided for real estate acquisition, construction, rehabilitation or improvement or machinery and equipment. The Authority requires security for the loans with the underlying assets and other available collateral.

The Authority finances these activities through recycled loan proceeds and the issuance of State guaranteed bonds and notes (the "Bonds") limited by the Constitution of the State and applicable legislation to an aggregate principal amount of $900 million outstanding at any time. To date, enabling legislation allows an aggregate principal amount of $750 million to be outstanding at any time.

The guarantee of the Bonds by the State is authorized by the New York Job Development Authority Act, as amended by Section 1813 of Title 7 Article 8 of the Public Authorities Law and Section 8 Article X of the Constitution of the State. Under these provisions, if the Authority fails to pay when due, the principal or interest on the Bonds, or, if sued by any holder of the Bonds, the State Comptroller must set apart from the first revenues thereafter received from any source, applicable to the General Fund of the State, a sum sufficient to pay such principal and interest, and shall so apply the monies thus set apart. Effectively, the State is subrogated to the rights of the bondholders. The net position of the fund is considered restricted.

The Authority has the power to create local development corporations under Section 1804 of the New York Job Development Authority Act and Section 1411 of the New York Not-for-Profit Corporation Law. The Authority has created six Local Development Corporations: New York Liberty Development Corporation ("NYLDC"), Empire State Local Development Corporation ("ESLDC"), Brooklyn Arena Local Development Corporation ("BALDC"), Canal Side Local Development Corporation ("CSLDC"), New York Transportation Development Corporation ("NYTDC"), and New York Energy Finance Development Corporation ("NYEFDC").

Note 1 - Corporate Background and Activities, Continued

(b) Activities, Continued

The Authority substantially controls the operations of the Local Development Corporations. Under Governmental Accounting Standard Board ("GASB") Statement No. 39 - "The Financial Reporting Entity," NYLDC, ESLDC, BALDC, CSLDC, NYTDC and NYEFDC are considered blended component units of the Authority, and their assets, liabilities, and results of operations are combined with the operations of the Authority for financial reporting purposes.

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Accounting

The Authority is an enterprise fund that follows the economic resource measurement focus and the accrual basis of accounting.

The Authority complies with all applicable pronouncements of GASB as well as with authoritative pronouncements applicable to non-governmental entities (e.g. Financial Accounting Standards Board Statements) that do not conflict with GASB pronouncements. The Authority complies with GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which provides for the reporting of assets and liabilities consistent with the economic effect of the rate structure. See further discussion below under Costs Recoverable From Future Billings and Deferred Outflows/Inflows of Resources.

The Authority's combined financial statements are presented consistent with enterprises whose principal activities are considered a financing enterprise.

(b) Use of Estimates

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

(c) Cash and Equivalents

Cash and equivalents include cash deposits with banks and highly liquid temporary investments with original or remaining maturities of 90 days or less.

(d) Investment Securities

Investment securities consist of temporary investments of available cash and debt service reserve funds in marketable securities. Investment securities are reported at fair value in the combined statements of net position, and investment income, including changes in fair value, is reported as non-operating revenue in the combined statements of revenue, expenses and changes in net position.

Note 2 - Summary of Significant Accounting Policies, Continued

(d) Investment Securities, Continued

The fair value of investment securities, which includes United States Government and Federal Agency obligations, and obligations of state and local governments is generally based on quoted market prices. Interest earning investment instruments, including time deposits and repurchase agreements with maturities of one year or less, are reported at amortized cost. Investment income also includes realized gains and losses from disposition of investments on a specific identification basis. Collateral for these investments is held in the Authority's name by financial institutions as custodians. Investment securities that are not required by bond indentures to be held by independent trustees are maintained and held by the New York State Department of Taxation and Finance.

(e) Loans and Financing Arrangements Receivable

Loans and financing arrangements are generally reported at their principal amounts outstanding, net of allowances for possible credit losses. The Authority lends funds for the acquisition of land and buildings which are generally repayable over 15 to 20 years. Loans to fund machinery and equipment are generally repayable over 7 to 10 years. Generally, all loans represent second mortgages or other subordinated positions. Interest revenue on loans and financing arrangements is credited to interest income based on loan principal amounts outstanding at appropriate interest rates. Interest is not accrued on loans which are delinquent three or more months, and which management considers uncollectible. In addition, the Authority provides financing arrangements for property previously acquired in foreclosure. Financing arrangements generally require repayment over periods ranging from 1 to 20 years.

(f) Allowance for Possible Credit Losses and Estimated Loan Losses

The allowance for possible credit losses provides for risks of losses inherent in the credit extension process. The Authority maintains this allowance on a specific and general basis at levels considered adequate to meet present and future losses on loans and financing leases. This evaluation encompasses business and economic conditions, the character, quality and performance of the portfolios, availability of collateral and the risks inherent in these loans. Accordingly, these estimates could change in the near term.

(g) Prepaid Energy Supplies

Prepaid energy supplies, which are recorded at amortized cost, comprise secured prepayments of energy. Depletion and delivery of energy is recorded on the units-of-production method. Those prepayments expire at various dates through 2056. The prepaid contracts are each secured by a guaranty provided by a financial institution that met certain criteria upon execution.

Note 2 - Summary of Significant Accounting Policies, Continued

(h) Costs Recoverable from Future Billings

Under GASB Statement No. 62, regulatory assets are recorded to reflect probable future revenues associated with certain costs that are expected to be recovered from the New York Power Authority ("NYPA") through the ratemaking process. NYPA establishes a pricing mechanism outlining the methods for billing for its electricity supply services. Rates for NYPA's electrical billings are designed to provide, over the life of each project, full recovery of all project costs as defined in the bond resolution and as prescribed by NYPA. Expenses in excess of amounts currently billable under the pricing mechanism will be recovered from future billings and are classified as costs recoverable from future billings. The costs to be recovered consist primarily of the difference between amortization of prepaid energy supplies and debt service requirements recognized in the financial statements and amounts currently billable.

(i) Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources represent the net unrealized losses/gains on hedging derivative instruments.

(j) Revenues

Revenues are recognized in the period that electrical supplies are delivered. Under the provisions of the trust indentures, NYPA is required to set rates sufficient to cover all its costs over the terms of the customer supply agreements. Any excess revenues or expenses are credited or billed to NYPA periodically.

(k) Foreclosed Properties

The Authority may hold title to properties acquired in satisfaction of loans, including in-substance foreclosures. Such amounts, if any, are carried at the lower of cost or estimated fair market value.

(l) Grant Revenue and Expense

ESLDC administers certain grant funds from various sources. These grants are awarded for specifically designated projects and are distributed directly to the projects. ESLDC records revenue upon disbursement of the grants to grantees. Grant advances not disbursed to grantees are recorded as unearned income.

NYLDC recognizes grant expense upon the disbursement of grants to grantees.

(m) Subsequent Events

The Authority has evaluated subsequent events through the date of the report which is the date the combined financial statements were available to be issued.

(n) Reclassification

Reclassifications have been made to certain 2025 balances in order to conform them to the 2026 presentation.

Note 3 - Local Development Corporations

(a) New York Liberty Development Corporation

In August 2002, at the request of the Governor, the Authority caused the creation of New York State Liberty Development Corporation ("NYLDC"). NYLDC was created as a conduit for the issuance of qualified New York Liberty Bonds ("Liberty Bonds") and such other non-federally tax-exempt obligations as may be appropriate. Bond proceeds are used to finance private projects primarily in the New York Liberty Zone located in lower Manhattan. NYLDC receives fees in connection with each bond or note issuance. In certain instances, the bond issuance fees earned are shared with other entities. The summarized statements of net position of NYLDC as of March 31, 2026 and 2025 are as follows:

	2026	2025
Cash and equivalents	$ 4,588	146,766
Temporary investments in marketable securities	76,315,010	73,173,839
Net position	$ 76,319,598	73,320,605

The summarized statements of revenue, expenses and changes in net position of NYLDC for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025
Investment income	$ 2,998,993	3,519,132
Operating expenses	-	-
Changes in net position	$ 2,998,993	3,519,132

NYLDC did not issue Liberty Bonds or notes during the years ended March 31, 2026 and 2025.

Since inception, NYLDC has issued an aggregate of approximately $9.1 billion of Liberty Bonds (at face amount of approximately $8.9 billion), $338 million of Recovery Zone Bonds, and $730 million of taxable notes excluding remarketing and refunding bonds on behalf of project owners. As of March 31, 2026, the total outstanding conduit debt amounted to approximately $6.1 billion. Liberty Bonds, Recovery Zone Bonds, and taxable notes are not the obligation of NYLDC, the Authority or the State. Repayment of the bonds and notes is the obligation of respective project owners.

(b) Empire State Local Development Corporation

In October 2003, the Authority caused the creation of Empire State Local Development Corporation ("ESLDC"). ESLDC has state-wide jurisdiction and was created to carry out various economic development initiatives through the use of pass-through grants received from outside sources. The summarized statements of net position of ESLDC as of March 31, 2026 and 2025 is as follows:

Note 3 - Local Development Corporations, Continued

(b) Empire State Local Development Corporation, Continued

	2026	2025
Cash and equivalents	$ 850,645	825,800
Temporary investments in marketable securities	4,064,747	3,907,499
Deferred inflows of resources - unearned revenue	(4,915,392)	(4,733,299)
Accounts payable and accrued expenses	-	-
Net position	$ -	-

The deferred inflows of resources - unearned revenue represents grant funds received from the Port Authority of New York and New Jersey (the "Port Authority") under its Transportation, Economic Development and Infrastructure Renewal ("TEDIR") projects program that have not yet been disbursed to the designated grantees. The projects included in this grant program are approved by the Port Authority in accordance with TEDIR program requirements and payments are processed through JDA. In general, these projects have a long-life span.

(c) Brooklyn Arena Local Development Corporation

In November 2008, the Authority caused the creation of Brooklyn Arena Local Development Corporation ("BALDC"). BALDC has state-wide jurisdiction and was created as a conduit for the issuance of both taxable and tax-exempt bonds to finance the construction and related cost of the Barclays Center Project.

The summarized statements of net position of BALDC at March 31, 2026 and 2025 is as follows:

	2026	2025
Cash and equivalents	$ 2,916	56,003
Temporary investments in marketable securities	3,509,675	3,317,698
Net position	$ 3,512,591	3,373,701

The summarized statements of revenue, expenses and changes in net position of BALDC for the years ended March 31, 2026 and 2025 is as follows:

	2026	2025
Interest income	$ 138,890	158,507
Operating expenses	-	-
Change in net position	$ 138,890	158,507

BALDC did not issue bonds during the years ended March 31, 2026 and 2025.

Note 3 - Local Development Corporations, Continued

(c) Brooklyn Arena Local Development Corporation, Continued

As of March 31, 2026, the total of outstanding BALDC bonds ("Bonds") is $477.8 million. The Bonds are special limited obligations payable solely from and secured by the payments-in-lieu-of taxes ("PILOT") made by the Barclays Center Project developer. As noted below, since BALDC has assigned its obligations to the trust account that services the Bonds, BALDC treats the Bonds as conduit debt.

Additionally, BALDC acts as landlord through a long-term lease agreement with the developer of the Barclays Center Arena, ("Arena Co."). BALDC's obligations as landlord include maintaining fiduciary responsibility for a trust account, funded with annual PILOT payments made by the tenant, Arena Co., and used to pay all debt service costs in relation to the conduit debt issued by BALDC, as well as certain operating and maintenance costs of the Arena. However, BALDC has assigned all of its rights and obligations with respect to the trust account to the PILOT Bond Trustee and retains no rights in any amounts held in trust and no obligation to fund any amounts to the trust account and is further indemnified from any such obligation. The transactions of the trust account are not considered to be transactions of BALDC and are not recorded in BALDC's financial statements.

Rental payments for the Arena do not support or secure the Bonds. Rental payments received by BALDC are assigned to ESD as the landlord of the Arena ground lease.

(d) Canal Side Local Development Corporation

In June 2010, the Authority authorized the creation of Canal Side Local Development Corporation ("CSLDC"). CSLDC was created to help facilitate the financing of the Canal Side Land Use Improvement Project in Buffalo. There was no activity during the years ended March 31, 2026 and 2025.

(e) New York Transportation Development Corporation

In August 2015, the Authority authorized the creation of New York Transportation Development Corporation ("NYTDC"). NYTDC was formed for the public purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government of the State and the Authority. It will undertake its public purpose by issuing tax-exempt bonds for transportation and any other purposes or objectives described above (the "Bonds") and in the case of certain tax-exempt bonds, shall obtain the approval of the Governor of the State of New York to the extent required by applicable federal tax law; by issuing such other non-federally tax-exempt obligations as may be appropriate (the "Obligations"); and by exercising all or any part of such public functions and doing any work related to or in connection with the issuance of the Bonds or Obligations, and engaging in all other lawful business purposes.

Note 3 - Local Development Corporations, Continued

(e) New York Transportation Development Corporation, Continued

The summarized statements of net position of NYTDC at March 31, 2026 and 2025 is as follows:

	2026	2025
Cash and equivalents	$ 64,214	102,721
Temporary investments in marketable securities	65,737,285	71,170,211
Net position	$ 65,801,499	71,272,932

The summarized statements of revenue, expenses and changes in net position of NYTDC for the years ended March 31, 2026 and 2025 is as follows:

	2026	2025
Bond fee income	$ -	5,383,719
Interest income	2,932,453	3,231,157
Other revenue	2,127,067	1,661,805
Operating expenses	(946)	(7,500)
Transfer to UDC	(10,530,007)	-
Change in net position	$ (5,471,433)	10,269,181

In July 2025, NYTDC issued Special Facilities Revenue Bonds, Series 2025 (Green Bonds) (AMT) (John F. Kennedy International Airport New Terminal One Project) in the principal amount of $1,367.1 million (the Series 2025 Bonds). The Series 2025 Bonds were issued on behalf of JFK NTO, LLC, as lessee of the New Terminal One International passenger terminal at John F. Kennedy International Airport to provide funds to (1) finance a portion of the costs relating to Phase A of the Project, (2) fund a deposit to the MuniBonds Senior Debt Service Reserve Account, (3) fund a portion of the interest on the Series 2025 Bonds, the Series 2024 Bonds, the Series 2023 Bonds and (4) pay certain costs of issuance of the Series 2025 Bonds.

In November 2024, NYTDC issued Special Facilities Revenue Bonds, Senior Series 2024A (Green Bonds) (AMT) (Current Interest Bonds) (JFK Airport Terminal 6 Redevelopment Project) in the principal amount of $1,845.6 million and Special Facilities Revenue Bonds, Senior Series 2024B (AMT) (Convertible Capital Appreciation Bonds) (JFK Terminal 6 Redevelopment Project) in the principal amount of $100.0 million (the “Series 2024 Bonds”). The Series 2024 Bonds were issued on behalf of JFK Millennium Partners, LLC, to provide funds to: (i) refinance costs relating to the design and construction of the Project and (ii) pay costs of issuance relating to the Series 2024 Bonds.

Note 3 - Local Development Corporations, Continued

(e) New York Transportation Development Corporation, Continued

In June 2024, NYTDC issued Special Facilities Revenue bonds, Series 2024 (John F. Kennedy International Airport New Terminal One Project) (Green Bonds) (Subject to AMT) in the principal amount of $2,550.0 million (the "Series 2024 Bonds"). The Series 2024 Bonds were issued on behalf of JFK NTO LLC, as lessee of the New Terminal One International passenger terminal facility at John F. Kennedy International Airport, to provide funds to: (1) finance and refinance a portion of the costs relating to Phase A of the Project, including costs originally financed by the proceeds of a portion of the outstanding Bank Loans provided and committed to be provided by the Lenders to the Lessee pursuant to the Credit Agreement, (ii) fund a portion of the interest on the Series 2023 Bonds and the Series 2024 bonds, and (iii) pay certain costs of issues related to the Series 2024 Bonds.

As of March 31, 2026, the total outstanding conduit debt is approximately $15.8 billion. NYTDC bonds are not the obligation of NYTDC, the Authority or the State. Repayment of the bonds is the obligation of the respective project borrower.

(f) New York Energy Finance Development Corporation

In April 2024, the Authority authorized the creation of the New York Energy Finance Development Corporation ("NYEFDC"). NYEFDC was formed for the purpose and the public objective of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government of the State and the Authority. It will undertake its public purpose by issuing tax exempt bonds for one or more energy related projects, which would further a public purpose, and any other purpose or objective described above (the "Bonds") and in the case of certain tax exempt bonds, shall obtain the approval of the Governor of the State of New York to the extent required by applicable federal tax law; by issuing such other non-federally tax-exempt obligations as may be appropriate (the "Obligations"); and by exercising all or any part of such public functions and doing any work related to or in connection with the issuance of the Bonds or Obligations, and engaging in all other lawful business purposes. There was no activity during the year ended March 31, 2025.

The financial statements of NYEFDC for the year ended March 31, 2026 are separately audited and available publicly on the NYEFDC webpage.

Note 3 - Local Development Corporations, Continued

(f) New York Energy Finance Development Corporation, Continued

In July 2025, NYEFDC issued Energy Supply Revenue Bonds, Series 2025 ("the Series 2025 Bonds") in the principal amount of $944.2 million. The Series 2025 Bonds were issued to fund the purchase of prepaid energy sales agreements and pay certain costs of issuance of the Series 2025 bonds.

Note 4 - Cash and Equivalents

Demand deposits are secured by surety bonds and collateral held by a bank or trust company as custodians. Securities are either delivered or registered by book entry in UDC's name with bond trustees or custodian banks.

At March 31, 2026 and 2025, cash held in demand and custodial deposits, as well as cash equivalents were collateralized by the depository, generally with obligations of the United States, its agencies, or New York State obligations with a remaining maturity when purchased of 90 days or less, as follows:

	2026		2025	
	Carrying amount	Bank balance	Carrying amount	Bank balance
Insured (FDIC)	$ 500,000	500,000	500,000	500,000
Uninsured - collateral held by custodian in UDC's name	11,475,376	11,475,376	2,790,256	2,790,256
Total cash and cash equivalents	$ 11,975,376	11,975,376	3,290,256	3,290,256

Note 5 - Investments

Authorization for investments is governed by written internal investment guidelines, statutes, State guidelines and bond resolutions. Permitted investments include:

- Obligations of the United States Treasury, agencies and instrumentalities;
- Direct obligations of the State of New York, its political subdivisions, and public authorities;
- Bonds and other obligations of governmental authorities, political subdivisions, Federal Agencies, Government Sponsored Enterprises ("GSE's") or public authorities of the State or of the United States of America, which are securities in which the Corporation lawfully may invest pursuant to applicable statutes, regulations and bond resolutions including but not limited to Federal National Mortgage Association ("FNMA"), Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank ("FHLB"), Federal Home Loan Mortgage Corporation ("FHLMC - Freddie Mac"), and Student Loan Marketing Association ("SLMA - Sallie Mae");

Note 5 - Investments, Continued

- Repurchase agreements with financial institutions authorized to do business in New York State which are listed as primary government securities dealers by New York's Federal Reserve Bank and which are collateralized by U.S. Government securities;
- Commercial paper issued by domestic banks, corporations and financial companies that have adopted ESG principles and are rated "A-1" or better by Standard & Poor's Corporation or "P-1" or better by Moody's Investors Services, Inc.;
- Certificates of deposit of banks or trust companies authorized to do business in the State;
- Units, shares or interest in a mutual fund or money market fund of regulated investment companies that meet specified criteria; and
- Real property.

Temporary and debt service reserve fund investments, reported at fair value, at March 31, 2026 and 2025 consist of the following:

	2026		2025	
	Cost	Fair value	Cost	Fair value
U.S. Government and Federal Agency obligations	$ 258,269,429	260,250,550	220,700,741	222,795,905

Fair Value Measurements

Accounting principles generally accepted in the United States of America established a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Authority has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to overall fair value measurement.

The Authority holds financial instruments with quoted prices in active markets for identical assets (level 1) of $260,250,550 and $222,795,905 at March 31, 2026 and 2025, respectively.

Note 6 - Loans Receivable

Future payments due on loans receivable for each of the next five years and thereafter as of March 31, 2026 were as follows:

2027	$ 1,114,513
2028	917,320
2029	1,966,554
2030	1,510,222
2031	768,291
Thereafter	10,031,110
Total	16,308,010
Less - allowance for estimated loan losses	(1,282,232)
Net	$ 15,025,778

Note 7 - Allowance for Estimated Loan Losses

The estimated allowance for estimated loan losses are based primarily on a continuing evaluation of the portfolio, and of current economic conditions and such other factors which management believes require consideration in estimating future risks. Additions to the allowance are made by charges to expense. Reductions of the allowance are reported as other revenue. A summary of loan loss allowance activity for years ended March 31, 2026 and 2025, is as follows:

	2026	2025
Balances at beginning of year	$ 1,379,477	1,436,582
Net provisions (reductions)	(97,245)	(57,105)
Balances at end of year	$ 1,282,232	1,379,477

Note 8 - Energy Supply Acquisitions

In July, 2025, the NYEFDC contracted with Aron Energy Prepay 47 LLC for the delivery of 100 Mwh/Delivery Hour for each month from January 2026 through May 2056. The prepaid purchase of energy in the amount of $905,566,983 is recorded as an asset and amortized based on the energy delivery schedule. The prepaid energy supplies amounted to $898,123,967 at March 31, 2026.

Note 9 - Limited Obligation Debt

In July 2025, the New York Energy Finance Development Corporation issued $944,150,000 in Energy Supply Revenue Bonds Series 2025 (the "Series 2025 Bonds"). The Series 2025 Bonds were issued for the purpose of funding the purchase of the prepaid energy sales agreements. The New York Energy Finance Development Corporation received a premium of $30,514,928 at issuance of the Series 2025 Bonds.

The Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption during the initial interest rate period, and the bonds maturing on July 1, 2056 are required to be tendered for purchase on December 1, 2033. If remarketing fails or the bonds are not refunded, bondholders are required to be repaid through a termination payment due from the supplier and the prepayment transaction will terminate.

	March 31, 2025	Issuances	Payments/ Amortization	March 31, 2026
Bonds payable	$ -	944,150,000	-	944,150,000
Bond premium	-	30,514,928	(779,279)	29,735,649
Total debt	-	974,664,928	(779,279)	973,885,649
Less amounts due within one year	-			-
Less current portion of bond premium	-			(984,353)
Total long-term debt	$ -			972,901,296

The combined annual requirement to repay all bond issues outstanding at March 31, 2026, is as follows:

	Principal	Interest	Total Debt Service
2027	$ -	47,207,500	47,207,500
2028	-	47,207,500	47,207,500
2029	-	47,207,500	47,207,500
2030	-	47,207,500	47,207,500
2031	-	47,207,500	47,207,500
2032 - 2036	-	236,037,500	236,037,500
2037 - 2041	-	236,037,500	236,037,500
2042 - 2046	-	236,037,500	236,037,500
2047 - 2051	-	236,037,500	236,037,500
2052 - 2056	944,150,000	200,631,875	1,144,781,875
Total	$ 944,150,000	1,380,819,375	2,324,969,375

Note 10 - Derivative Instruments

Commodity Derivative Instruments

The New York Energy Finance Development Corporation has established rates with NYPA based on a discount to spot market prices. Therefore, the Corporation enters into long-term prepaid energy purchase agreements and uses long-term derivative instruments (commodity swaps) with terms that match the related prepaid energy purchase agreements to convert fixed prepayments for future deliveries to spot market pricing. The derivative agreements require monthly payments to be paid or received based on the difference between the spot market price and the contract strike price on notional volumes. None of the Corporation's derivatives require a cash payment at inception.

Fair Values of Derivative Instruments

See Note 5 for a discussion of fair value policies and methodologies. The fair value balances of derivative instruments outstanding at March 31, 2026, and the changes in fair value of such derivative instruments for the year then ended amounted to $26,494,051. The commodity swaps have consistent critical terms to the prepaid sales agreements.

Risks Associated With Derivative Instruments

Credit Risk - The Corporation intends to hold all derivative instruments to maturity. The Corporation is exposed to market energy price risk in the event of nonperformance by the counterparties; however, the Corporation does not anticipate nonperformance. The Corporation derivative instruments contain tear-up provisions such that they may be terminated under certain limited circumstances, including specific credit events, with no settlement payment due or payable by either party. In addition, the Corporation prepaid energy purchase agreements allow for the substitution of swap counterparties by both the Corporation and the related supplier in the event of specified credit rating downgrades or certain other limited conditions.

Termination Risk - The Corporation is exposed to termination risk in its commodity rate derivatives. Termination of the Corporation hedges may occur upon a downgrade of the swap counterparties below specified levels; however, the supplier and the Corporation have the option to replace such counterparties for a specified period. No amounts related to the swaps would be due by either party, other than monthly obligations related to energy already delivered by the Corporation, in the event of termination of any Corporation derivatives.

Note 11 - Due to New York State Urban Development Corporation

New York State Urban Development Corporation ("UDC") provides all of the management and operational oversight for the Authority. At March 31, 2026 and 2025, amounts due to UDC are primarily attributable to costs, including all payroll and related costs, allocated to or paid by UDC on behalf of the Authority for various general and administrative expenses. These costs, plus interest, approximated $0.9 million during each of the years ended March 31, 2026 and 2025. The balance due at March 31, 2026 and 2025, excluding grant funds held by the Authority, amounted to $20.7 million and $29.7 million, respectively. The interest rate used is the annualized average weighted yield earned by UDC on its investment portfolio. The interest portion of the accumulated liability covers the last thirty fiscal years and amounts to approximately $11.6 million at March 31, 2026.

Note 12 - Commitments

There were no Special Purpose Fund loans approved by the Authority as of March 31, 2026.

Note 13 - Contingencies

The Authority has been named as a defendant in legal actions arising from the operation of various economic development initiatives. In addition, defendants in mortgage loan foreclosure proceedings initiated by the Authority have asserted defenses and counter claims for damages. The Authority believes that the ultimate outcome of such litigation will not have a material adverse effect on its financial condition.

Note 14 Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 103 - "Financial Reporting Model Improvements." This statement, issued in May 2024, improves 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. The requirements of this Statement are effective for periods beginning after June 15, 2025, which is the fiscal year beginning April 1, 2026 for the Authority. Management is in the process of evaluating the potential impact of implementation of this Statement on the combined financial statements of the Authority.

Note 14 Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 104 - "Disclosure of Certain Capital Assets." This statement, issued in September 2024, provides users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements improve consistency and comparability between governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025, which is the fiscal year beginning April 1, 2026 for the Authority. Management is in the process of evaluating the potential impact of implementation of this Statement on the combined financial statements of the Authority.

GASB Statement No. 105 - "Subsequent Events." This statement, issued in December 2025, improves financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026, which is the fiscal year beginning April 1, 2027 for the Authority. Management is in the process of evaluating the potential impact of implementation of this Statement on the combined financial statements of the Authority.

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INDEPENDENT AUDITORS' REPORT 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 Authority Members
New York Job Development Authority:

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, the combined financial statements of New York Job Development Authority (the "Authority"), a component unit of the State of New York, as of and for the year ended March 31, 2026, and the related notes to combined financial statements, and have issued our report thereon dated June 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Authority'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's combined 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 Authority's combined financial statements are free from 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 combined 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.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 16, 2026

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INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE INVESTMENT GUIDELINES

The Authority Members
New York Job Development Authority:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the New York Job Development Authority (the "Authority"), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law and Title 2 Section 201.3 of the New York Codes, Rules and Regulations (the investment guidelines) that could have a direct and material effect on its investments for the year ended March 31, 2026.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended March 31, 2026.

Basis for Opinion on Investment Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the investment guidelines. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's investments.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, Government Auditing Standards and the investment guidelines, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the investment guidelines as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the investment guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the investment guidelines on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of investment guidelines will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the investment guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the investment guidelines. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 16, 2026