

September 22, 2023

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685 Third Avenue  
New York, NY 10017

This representation letter is provided in connection with your audits of the financial statements of Hudson Yards Development Corporation (“HYDC”), which comprise the respective financial position of the governmental activities and governmental funds as of June 30, 2023 and 2022 and the respective changes in financial position for the years then ended, and the related notes to the financial statements (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 21, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the required supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all financial information required by U.S. GAAP to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirement of U.S.GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which HYDC is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, meeting minutes and other matters.
  - b) Additional information that you have requested from us for the purpose of the audits.
  - c) Unrestricted access to persons at HYDC from whom you determined it necessary to obtain audit evidence.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects HYDC and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.

- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting HYDC's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 16) We have disclosed to you the identity of any related parties and all the related party relationships and transactions of which we are aware, if any.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provision of laws regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

**Government—specific**

- 18) We have made available to you all financial records and related data.
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) HYDC has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no violations or possible violations of laws and regulations, provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 23) HYDC is a local development corporation organized under the New York State Not-for-Profit Corporation Law and is exempt under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize HYDC's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 24) HYDC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- 25) HYDC has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 26) We have followed all applicable laws and regulations in adopting, approving and amending budgets.
- 27) The financial statements properly classify all funds and activities.
- 28) Components of net position (restricted and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 29) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 30) We have appropriately disclosed HYDC's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- 31) We acknowledge our responsibility for the required supplementary information ("RSI"). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 32) Management has informed us of all documents that may comprise other information that it expects to issue, including as applicable an annual report.

Signature: Lincoln Patel

Printed Name: Lincoln Patel

Title: Vice President and General Counsel

Signature: Susan Gil

Printed Name: Susan Gil

Title: Treasurer and Fiscal Manager