MINUTES OF THE
JOINT AUTHORITY AND CANAL AUDIT COMMITTEE MEETING

March 31, 2026

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Minutes of the Joint Authority and Canal Audit Committee Meeting held on Tuesday, March 31, 2026 at the NYPA's administrative office building, White Plains, New York at approximately 8:00 a.m.

Members present were:
Dennis Trainor – Chair
John R. Koelmel
Michael Cusick
Lewis M. Warren Jr.
Laurie Wheelock

Non-Members present:
Bethaida Gonzalez
Cecily Morris

Also, in attendance were:

Justin E. Driscoll	President and Chief Executive Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Lori Alesio	Executive Vice President and General Counsel
Karina Saslow	Senior Vice President - Human Resources
Daniella Piper	Executive Vice President and Chief Innovation Officer - excused
Charles Imohiosen	Senior Vice President - Communications and External Affairs
Salman Ali	Senior Vice President - Internal Audit
Paul DeMichele	Chief of Staff
John Canale	Senior Vice President Strategic Supply Management
Karen Delince	Vice President and Corporate Secretary
Victor Costanza	Vice President Chief Information Security Officer
Rebecca Hughes	Deputy Executive Director, Canals
James Kent	Director Executive Communications
Brian Stratton	Director, Canals
Christopher Hutson	Senior Vice President, NYPA Development
Maribel Cruz-Brown	Senior Vice President, Customer Solutions
Kandapa Jinvit	Senior Director Internal Business Controls
Sundeep Thakur	Controller
Christopher Vitale	Director, Projects
David Mellen	Regional Manager and Senior Vice President
Joseph Gryzlo	Senior Director, Supplier Relationship Management
Todd Josifovski	Senior Vice President – Nuclear Power Development
Brian Saez	Senior Vice President – Power Generation and Waterway
Sandra Bleckman	Project Director, Workforce Development
Chad Gholizadeh	Deputy General Counsel
Felisa Hochheiser	Deputy Corporate Secretary
Sheila Quatrocci	Manager, Corporate Secretary
Michele Stockwell	Associate Corporate Secretary

Fiona Khan	Senior Assistant Corporate Secretary
Chris D'Angelo	KPMG
Ryan Gibbons	KPMG
Nick Di Virgilio	KPMG

Chair Trainor presided over the meeting. Vice President and Corporate Secretary Delince kept the Minutes

Introduction

Chair Trainor welcomed the Committee members and NYPA and Canal staff members who were present at the meeting. He advised that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order.

1. Adoption of the March 31, 2026 Proposed Meeting Agenda

On motion by member Koelmel and seconded by member Wheelock, the agenda for the meeting was amended, adding a second Executive Session, and then adopted. (5-0)

2. MOTION TO CONDUCT AN EXECUTIVE SESSION

On motion by member Wheelock and seconded by member Koelmel, an Executive Session was held to discuss the financial, credit and employment history of a particular corporation (pursuant to §105f of the Public Officers Law). (5-0)

3. MOTION TO RESUME MEETING IN OPEN SESSION

On motion made by member Wheelock and seconded by member Koelmel, the meeting resumed in Open Session. (5-0) No votes were taken during Executive Session.

4. DISCUSSION AGENDA:

a. New York Power Authority and Canal Corporation Internal Audit Update

i. 2026 Internal Audit Update

Salman Ali, Senior Vice President – Internal Audit, presented the update consisting of:

- 2025 Internal audit results
- Review of the 2026 proposed audit plan
- Plans for what will be done in 2026

➢ **Executive Summary**

- **Audit Execution Scorecard – As of March 18, 2026**

  - **2025 Audit Plan Status** – 100% complete and the final report was issued the week of March 9, 2026, ahead of the deadline.

  - **Deliverables** – 42 engagements were completed.

  - **Utilization** – Remained strong at 75%.

  - **Cycle Time** – The length of time each audit takes on average and was intentionally extended in order for NYPA to perform deeper analytics, more complex engagements and intense reviews that took more time to bring more use cases to build with the organization's partners.

– **Quality Assurance Improvement Program (QAIP)** – Remains on track and continues to ensure the organization is following best standards with a few commitments progressing ahead of schedule.

- **Audit Observation Scorecard – As of March 18, 2026**

  – **Control Environment** – Seeing continued improvement in this area.

  – **Control Closure of Items –** Remains strong across NYPA, Environmental, Health and Safety (EH&S) and Canals.

  – **High Risk and Medium Risk Observations** – Both have decreased.

  – **EH&S Observations** – All 2024 items are closed, and 2025 items are progressing as planned.

Ali noted overall, these are positive indicators of a strong, proactive and well managed control environment. The collaboration and efforts of management avoided the need for extensions, enabling items to close on time.

➢ **2025 Thematic Observation Update**

- **Strengths Observed from Audit Results**

  – There was consistent improvement in three areas:

    1. **Improved Control Environment** - Fewer high-risk observations

    2. **Improved Risk Mitigation -** Remediation discipline **i**mproved with issues being addressed in advance without the need for extensions.

    3. **Increased Alignment with Management** - Engagement management **r**emains strong across the first and second lines of defense, with participation from Internal Business Controls (IBC) and Risk and Resiliency.

Ali said the enterprise framework was adopted by the organization to further strengthen this alignment, especially assessing issue severity, managements performance of self-assessments and reporting issues.

➢ **Insights from Audit Results: Key Themes**

- The insights reflect where NYPA is in its growth journey.

- Management has already made strong progress on these key themes and informed the organization how the audit plan should be shaped.

1. **Elevating Data Management and Reporting**

   – An enterprising initiative on data governance and opportunities on data:

     - Consistency
     - Quality
     - Governance mainly around reconciliation
     - Forecasting
     - Reporting processes

– The issues were identified; then, NYPA collaborated with management, and strong progress was made towards formalizing a data governance program.

– This drives the consistency seen in data improvements.

– Improvements were seen as the audit plan progressed in areas of reconciliation:

  - Customer building
  - Data quality controls
  - Standardization
  - Automation of data feeds
  - Reporting
  - Increased focus on centralized data
  - Transparency

Ali noted an overall positive direction while scaling this as a consistent practice and continuing to look at data governance maturing, as the organization, the systems and operations grow more complex. It is critical to continue monitoring and following data governance business standards.

2. Improving Vendor Contract Management

– NYPA has a large supplier base that ranges from major capital project energy vendors to Operations and Management vendors.

– Management recognizes and prioritizes the need for consistency in:

  - Vendor oversight
  - Invoicing controls
  - Contract enforcements

– There has been progress viewed in areas of performance monitoring:

  - Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs) on vendor governance
  - Invoice review
  - Documentation rigor

– Collaborating with Strategic Supply Management sharing:

  - Observations
  - Implement processes to enhance what was observed
  - Standardized reporting
  - Governance routines
  - Enhancing compliance monitoring

– Enhancement of invoices to adhere to the requirements for Service Level Agreements (SLAs) because of continuous monitoring.

– Improving ownership and accountability over vendor oversight.

– Most of these gaps are either closed or actively tracked to completion and are being observed from an ongoing perspective.

– During each audit vendor management is one key area of focus, such as:

- Conflict of interest disclosures where gaps were identified and addressed
- Change order governance where the scope changes were not consistently reviewed but management has implemented independent validation prior to approval

Ali noted it is now mainly about sustaining consistency across all vendors and projects; continuing to strengthen the change order and cost governance processes.

3. Advancing Environmental Health and Safety (EHS)

- Demonstrated immense improvement.
- In the past there were a few high-risk observations made by EH&S leadership.
- Majority of the gaps have been closed or are in progress of being addressed under EH&S.
- Results from an EH&S perspective were:
    - Opportunities in inspection routines
    - Consistent in training
    - Emergency preparedness and documentation
- No significant violations or issues with employees and their safety were noted.
- The organization is being more proactive with these routines in place.
- Significant improvements shown in:
    - Inspection program
    - Compliance visibility
    - Training program
    - Implementation
    - Ownership
- Ensuring emergency protocols are being adhered to.
- Embedding consistency and these practices on a daily basis at the sites where needed.
- Results seen from an organizational perspective:
    - Enhanced safety and safety culture
    - Ready to trust
    - Improved data decision making
    - Informed and forward-looking strategic planning
    - Better cost management
    - Ensuring reduced operational disruptions

➢ **Chief Audit Executive (CAE) Required Communications to the Audit Committee**

- All requirements under the Internal Audit standards have been fulfilled for 2025 and are reflective of NYPA's commitment towards the Audit Committee for:

- Independence
- Transparency
- Accountability

- The organization's dependence, resources and quality process are sound.

Ali concluded that the update delivered 100% plan completion, strengthening controlled environment and a growing team.

- **Internal Team Accomplishments - 2025 Team Accomplishments**

  - **Teams and People**

    - **Professional Certifications** – Some employees hold one or more certifications, demonstrating their drive.

    - **Roles** – Elevated some of NYPA's senior audit managers to people managers to enable more succession planning within departments.

  - **Culture and Engagement**

    - Engaged in culture events and for workforce site reviews, *e.g.*, Soulful Synergy and Laborers International Union of North America (LiUNA) site visits.

  - **Operational Excellence**

    - Completion of Agile Maturity Assessment
    - Participated in Gartner Enterprise and other Artificial Intelligence (AI) conferences
    - Completed AI wide training in 2025 to upscale the team

ii. 2026 Internal Audit Plan and Strategy – Resolution

Salman Ali, Senior Vice President – Internal Audit, presented the plan and strategy.

- **Executive Summary**

  - The 2026 plan was structured based on 2025 lessons learned such as:

    - What was learned
    - Observations
    - Management response

  - **2026 Audit Plan Approach**

  - The development of the plan stemmed from:

      - Internal audit results
      - Prior audit coverage
      - Enterprise risk insights
      - Stakeholder input and collaboration communicated by management

    - The process starts in October-November and concludes during March for approval.

    - Deloitte Gartner LPPC provides an external observation perspective to ensure the organization is aligning with industry best practice and what is happening on the energy spectrum.

- The audit universe is then risk assessed; these are entities or areas the organization views as part of its broader assessment that is prioritized accordingly.

- This approach ensures the plan is both comprehensive and forward-looking.

- **Audit Universe and Cycle Approach**

  - There are 57 article entities across NYPA-Canals in the audit universe.
  - The process and key highlights:

    - NYPA assesses each entity
    - Adjusts for organizational changes

  - NYPA follows a risk-based audit cycle approach based on entity and how often these areas are audited based on the risk ratings:

    - High
    - Medium
    - Low

- **Internal Audit Plan Summary**

  - At high level, the 2026 plan is designed to provide comprehensive risk-based coverage aligned to the Authority's strategic priorities and top enterprising risk.

  - A key focus is oversight of major transformation projects such as:

    - New Enterprise Resource Planning (ERP) platform
    - Renewable energy initiatives
    - Nuclear
    - Where execution risk is viewed at the highest

  - The organization increased focus on:

    - Environmental, Health and Safety (EH&S)
    - Regulatory compliance
    - Cyber
    - Operational risk
    - Expanding continuous auditing
    - Data-driven monitoring

  - The plan overall balances assurance, advisory, and forward-looking capabilities.

- **2026 Internal Audit Plan Summary**

  - The high-level structured plan around a few thematic areas:

    1. Critical structure and asset operations; ensuring reliability and resilience

    2. Strategic programs and enterprise transformation; focused on governance and execution of risk across major initiatives

    3. Renewable energy and New York Renewable Energy Development Holdings Corporation (NYRED) supporting clean energy delivery

    4. Financial integrity, revenue assurance and strengthening financial controls

5. Enterprise technology, cybersecurity and safeguarding critical systems

6. EH&S and regulatory compliance

– The organization continues to:

  - Enhance auditing
  - Engage in auditing and monitoring processes
  - Look at data from these reviews

Ali advised these themes ensure alignment to both current and future risk directions and gives NYPA a comprehensive coverage of the organization's risk landscape.

➢ **Audit Plan Overview**

– Demonstrates how the organization divides up the plan and ensures it is aligned with enterprise risk and strategic initiatives

- **Planned Audit Activities**

  – An estimated 70% of the plan is focused on audits exceeding benchmark levels.

  – Assessment work has been increased to support NYPA's transformation initiatives*, e.g.* Project Luminate and Project Hub.

  – The choices in comparison to prior years reflect an intentional shift towards deeper assurance while enabling business where necessary.

  – In 2025, there were an estimated 42 reviews and 2026 had 43 reviews.

- **Alignment to NYPA VISION2030 Renewed Priorities**

  – NYPA uses VISION2030 Renewed as its benchmark for the audit plan to ensure it is aligned with the organization's vision and priorities.

  – The audit is integrated into the strategic plan that includes:

    - Clean energy
    - Sustainability
    - Coverage over EH&S emissions
    - Revenue standards
    - Transmission
    - Infrastructure through asset and capital delivery audits
    - Customer and decarbonization goals through review of revenue
    - Metering
    - Third-party risk
    - Innovation and digital enablement focusing on SAP
    - Cybersecurity
    - Information Technology (IT) resilience
    - Canal system revitalization with target operational compliance coverage of its infrastructure

- **NYPAs 2025 Enterprise Risk Alignment**

  – Coverage is aligned to enterprise risk and evolving risk appetite.

  – The plan is aligned with NYPA's:

    - Risk and enterprise risk framework
    - Focus on coverage on critical infrastructure
    - Financial capacity
    - Strategic investment that represents key enterprise risk

    – The plan is respective to numerous changes as risk evolves and more emerging risks are added**.**

- **Audit Plan Resource Allocation and Utilization**

  – The audit plan is fully resourced with strong utilization and target co-sourcing that equates to an estimated 34,000 hours.

  – Some of the hours have been supplemented with:
    - Targeted co-sourcing mainly around specialized areas such as:
      - Cybersecurity
      - Analytics

  – Plan utilization is 78% above benchmark, reflective of efficient allocation of resources.

  – From a resourcing standpoint the organization is fully resourced to deliver without execution risk.

➢ **Internal Audit Strategic Priorities**

- **Internal Audit Strategic Initiatives Update**

  – The organization's strategic initiatives work occurs behind the scenes and sharing with the Committee NYPA's position on internal audit goal to be best-in-class function in four areas:

  1. **Innovation**

     - NYPA has built a foundational Artificial Intelligence (AI) prompt library that allows the team to view AI and enables the use of prompts to augment the work.

     - Upskilling has been launched across the team on AI and data analytics; we transitioned from experimentation to actually using the capability.

  2. **People Development**

     - NYPA established the Center of Excellence Model that went into place in April 2026 and has assigned specialists to focus on specialized areas by senior auditor, such as:

       - Owning cybersecurity
       - Environmental Health and Safet (EH&S)
       - Third party
       - Building the depth where high risk areas are paramount

- Individuals within the team keep the organization in the know and are the go-to people for answers, *e.g.*, reviews needed or questions on EH&S.

- The CEO model brings specialized expertise directly into NYPA's audits, enhancing the Authority's skills framework to align with digital needs.

- Skill gap analysis was performed through Gartner that identified gap areas resulting in training and expertise needed for NYPA staff.

3. Aligned Assurance

- The internal audit has been fully integrated into enterprise risk framework under enterprise risk and are:

  - Following the same methodology to examine and dimension issues
  - Increasing collaboration with risk and internal controls

4. Reporting and Communication

- NYPA has established standard Internal Audit (IA) metrics and dashboards.

- Performing thematic risk analysis as discussed on three areas that were implemented through technology, reviewing an estimated 40+ audit reports. This tool identifies items that stand out.

- Looking ahead, NYPA's priorities include:

  - Advancing use case AI and automation

  - Furthering operationalization of CAE model

  - Development of a fully integrated aligned assurance function with risk management

  - Continuing to enhance reporting analytics

Ali emphasized the pillars represent the foundation to construct NYPA's best-in-class Internal Audit function, that fits NYPA's scale and complexity.

- **Scaling Artificial Intelligence (AI): 2026 Priorities**

  – Forecasting NYPA's future with AI as a strategic investment for internal audit.

  – In 2025, the foundation was built - resulting in:

    - Audit team training on AI
    - Launching of initial tools
    - Pilots being run

  – In 2026, a transition took place – experimentation moved to scale and three milestones are approaching:

1. Risk Control Matrix (RCM) Generator Pilot (May 2026)

- Every audit requires a risk blueprint called a risk and control matrix.

- These are all the controls, procedures and maps which risk and controls should be in place, and which should be audited.
- Today, these are built manually but the tool automates the process resulting in faster planning and greater consistency across teams.
- The RCM generator examines the audit, advises the procedures needed to execute, and also review prior audits

2. **Prompt Library V3 (June 2026)**
   - A curated repository of AI instructions that can be used by auditors to perform work effectively
   - This is a standardized repeatable use of AI across all engagement.

3. **Agentic: AI Generated Upskilling (June 2026)**
   - A role-based training that teaches NYPA's team how to use:
     - AI agents
     - Tools that can perform multi-step tasks autonomously ensuring AI becomes habitual versus occasional

On motion made by member Koelmel and seconded by member Warren, Jr., the following resolution was unanimously adopted. (5-0)

RESOLUTION

RESOLVED, that the Committee recommends that the 2026 Internal Audit Plan be approved by the Trustees; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Senior Vice President and Chief Audit Executive, Internal Audit.

b. 2025 Financial Reports with 2024 Comparative Data Pursuant to Section 2800 of the Public Authorities Law and Regulations of the Office of the State Comptroller – Resolution

Adam Barsky, Executive Vice President and Chief Financial Officer, presented the report.

➢ **Consolidated 2025 Financial Report – Year Ended December 31, 2026**

- **2025 Consolidated Net Income Actual vs Prior Year**
  - Year end results remain consistent to 2025 and what was previously reported to the Committee.

- Net income totaled $282 million.

- 2026 has been an exceptionally strong year with one of the organization's best financial performances possibly on record.

- As NYPA developed the budget and long-term outlook, there were numerous positive factors driving these results that are expected to continue into the future.

- Earning were significantly driven by operating income rather than non-operating activities.

- KPMG, the organization's auditors, will present their audit findings, but NYPA saw no material findings, significant deficiencies or adjustments needed leading up to the final audit.

• **Summary of Consolidated Statement of Net Position**

- **Balance Sheet and Liquidity** - End of year continues to remain strong.

- **Measures** – All are positive with no major unexpected changes.

- **Capital Assets/Capital Program** - NYPA's investments resulted in an increase.

- **Change in Cash** - Due to:

  - Spending funds raised from bond issuance

  - Paying down on some of the organization's short-term debt to create room for future liquidity needs

- **Revenue** - Higher energy prices contributed to increased revenue, which was expected.

- **Net position** – Increases year to year.

- **Debt to Equity Ratio** - Remains stable.

- **Income** – Earnings enhanced NYPA's future borrowing capacity as a result based on the organization's financing plan.

• **Financial Report Summary – Year Ended December 31, 2025**

- Consists of variance amounts with no changes

• **Net Cash Flows Provided by Operating Activities – Year End 2024 vs 2025**

- No changes from what was in the report with a clean audit and the organization is in positive shape.

On motion made by member Koelmel and seconded by member Warren, Jr., the following resolution was unanimously adopted. (5-0)

RESOLUTION

WHEREAS, pursuant to Section 2800(1) of the Public Authorities Law, the Authority is required to annually submit to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the Authorities Budget Office, within 90 days after the end of its fiscal year, a complete and detailed report or reports setting forth information regarding, among other things, certain financial information; and

WHEREAS, pursuant to Section 2800(3), financial information submitted under Section 2800 shall be approved by the Authority's Board of Trustees and shall be certified in writing by the Chief Executive Officer and the Chief Financial Officer of the Authority that based on the officer's knowledge the information provided therein (a) is accurate, correct and does not contain any untrue statement of material fact; (b) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made and (c) fairly presents in all material respects the financial condition and results of operations of the Authority as of, and for, the periods presented in the financial statements; and

WHEREAS, on the date hereof, the Chief Executive Officer and Chief Financial Officer have so certified as to the financial information contained within the attached reports for the fiscal year ending December 31, 2025

NOW THEREFORE BE IT RESOLVED, that the Audit Committee hereby recommends the approval of Authority's Financial Statements Pursuant to Section 2800 of the Public Authorities Law, as amended by the Public Authorities Accountability Act of 2005 ("PAAA"); and be it further

RESOLVED, that pursuant to Section 2800 of the Public Authorities Law, the Audit Committee hereby recommends that the Authority's financial reports are adopted and the Corporate Secretary be, and hereby is, authorized to submit to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget Office the attached financial report for the year ending 2025 in accordance with the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, that pursuant to 2 NYCRR Part 203, the Audit Committee hereby recommends that the Authority's report of actual vs. budgeted results for the year 2025 is approved in accordance with the foregoing report of the President and Chief Executive Officer, and the Corporate Secretary is authorized to post the report on the Authority's website; and be it further

RESOLVED, that the Audit Committee recommends that the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

c. New York Power Authority Discussion with Those Charged with Governance

Chris L. D'Angelo, Partner - KPMG, introduced two team members and issued a brief audit overview:

1. Ryan Gibbons, Senior Manager
2. Nick Di Virgilio, Audit Partner

- NYPA's audit was completed ahead of schedule and KPMG's unqualified audit reports were issued on March 27, 2026.

- The organization and KPMG collaborated to pull together a high set of financial statements and were able to move through the audit in a timely manner.

Ryan Gibbons, Senior Manager – KPMG, continued the presentation of the audit results.

- **People X Platform**

Gibbons emphasized that KPMG places confidence in its people and platform when working collaboratively with NYPA management and leverages Artificial Intelligence (AI) tools in order to provide a quality audit and pleasant experience.

- **Audit Results: Overview**

  - The unqualified report issued on March 27, 2026, was clean and included:

    - Independent Auditor's Report
    - Report on Internal Control over Financial Reporting referred to as the "Yellow Book Opinion"
    - Report on Investment Compliance in Accordance with New York State Law

- **Required Communications to those Charged with Governance**

  - **Audit Results Required Communications and Other Matters**

  - KPMG reported:

    - No significant unusual transactions
    - No uncorrected or corrected audit misstatements identified throughout the audit
    - No material significant non-Generally Accepted Accounting Principles (GAAP) policies from engagement
    - No changes to the firm's risk assessment or overall audit approach
    - No additional related-party transactions to note
    - No growing concern issues
    - No subsequent events at the moment
    - No significant findings or disagreements with management over the course of the audit
    - No consultations
    - No illegal acts or suspected fraud identified
    - KPMG remains independent and compliant with all relevant and ethical requirements

- **Internal Control Related Matters**

  - The firm does issue a "Yellow Book Opinion" but does not issue or express an opinion on the effectiveness of internal controls over compliance and financial reporting.

  - KPMG reported:

    - No material or significant efficiencies were identified.

- **Significant Risks and Other Significant Audit Matters**

  - There is a significant risk identified at all major entities on management override of controls.
  - The firm mitigates this risk and addresses it through:

    - Examination of journal entries throughout the year
    - Rolling forward specific general ledger accounting
    - Inquiring with members of management to ensure there is no accounting bias or any other significant usual items

- **Significant Accounting Estimates**

  - KPMG estimates remain the same year over year; testing was performed and no issued were found with:

    - **Other Post-Employment Benefits (OPEB) Plan** – The firm confirmed with NYPA management's third-party actuary and engaged with KPMG's actuaries to test the relevant assumptions within this estimate.

    - **Pension (GASB 68)** – Related through the New York State and Local Employees Retirement System, the firm engaged its actuaries to provide an analysis over significant assumptions and other inputs.

    - **Valuation of Marketable Securities**

      - KPMG is required to present a significant accounting estimate that investments add fair value.

      - No issues were found.

      - The firm prices 100% of investments throughout the year and in line with the investment compliance audit; KPMG performs additional testing over the investments portfolio.

- **Significant Audit Areas**

  - These areas have not had any significant changes since the prior year.

  - KPMG is notably gaining more efficiency and leveraging some of its AI technology to further enhance audit quality.

  - KPMG focuses on:

    - Long-term debt
    - Capital assets

    - Revenue

- **Required Inquiries**

  - KPMG encouraged management and other NYPA Audit Committee members to review the required inquiries, and if any concerns arise they should be communicated to the firm.

5. CONSENT AGENDA

On motion made by member Koelmel and seconded by member Wheelock, the following resolution was unanimously adopted. (5-0)

a. Approval of the New York Power Authority Internal Audit Charter (Corporate Policy 5-1) - Resolution

<u>RESOLUTION</u>

RESOLVED, That the Committee recommends that the attached Internal Audit Charter be approved by the Trustees; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Senior Vice President and Chief Audit Executive, Internal Audit.

b. Approval of the Joint Minutes of the New York Power Authority and Canal Corporation Audit Committee Meeting held on December 9, 2025

On motion made by member Koelmel and seconded by member Wheelock, the Minutes of the NYPA-Canal Joint Audit Committee Meeting was unanimously adopted. (5-0)

6. MOTION TO CONDUCT AN EXECUTIVE SESSION

On motion by member Koelmel and seconded by member Warren Jr., an Executive Session was held to discuss the financial, credit and employment history of a particular corporation (pursuant to §105f of the Public Officers Law). (5-0)

7. MOTION TO RESUME IN OPEN SESSION

On motion made by member Warren, Jr., and seconded by member Morris, the meeting resumed in Open Session. (5-0) No votes were taken during Executive Session.

8. Next Meeting

Chair Trainor advised that the next meeting of the Audit Committee will be held on Tuesday, July 14, 2026.

Adjournment

On motion made by member Koelmel and seconded by member Warren, Jr., the meeting was adjourned at approximately 9:42 a.m. (5-0)

Karen Delince

Karen Delince
Vice President and Corporate Secretary