

Public Realm Improvement Fund Governing Group Inc.
(A Component Unit of The City of New York)

Financial Statements and Required
Supplementary Information

Years Ended June 30, 2025 and 2024
With Reports of Independent Auditors

**Public Realm Improvement Fund Governing Group Inc.
(A Component Unit of The City of New York)**

Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

The Management and Board of Directors
The Public Realm Improvement Fund Governing Group Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Public Realm Improvement Fund Governing Group Inc. (the Corporation), a component unit of the City of New York, New York, as of and for the years ended June 30, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Financial Statements section of our report. We are required to be independent of the Corporation 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 opinions. 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 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 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 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 Corporation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 audit, 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 discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS 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 financial statements, and other knowledge we obtained during our audit of the basic 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 September 16, 2025 on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 16, 2025

Public Realm Improvement Fund Governing Group Inc.
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2025 and 2024

This section of the Public Realm Improvement Fund Governing Group Inc. (the Governing Group or the Corporation) annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2025 and 2024. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Fiscal Year 2025 Financial Highlights

- Current assets increased by \$4,101,781 (or 10%)
- Non-current assets decreased by \$1,560,873 (or 14%)
- Current liabilities increased by \$36,113 (or 71%)
- Net position increased by \$2,504,795 (or 5%)
- Operating expenses increased by \$25,193 (or 43%)
- Non-operating revenues decreased by \$37,481 (or 1%)

Background

This annual financial report consists of two parts: management's discussion and analysis (this section) and the basic financial statements which include footnote disclosures. The Governing Group is a discretely presented component unit of the City of New York (the City). The Corporation is also a New York Not-for-Profit local development corporation formed under section 1411 of the Not-for-Profit corporation law, and commenced operations in October 2017. The Governing Group was formed for the exclusively charitable and public purpose of lessening the burdens of the City and acting in the public's interest, by bolstering and enhancing New York City's East Midtown district status as a premier central business district through public realm improvement projects.

The mission of the Governing Group is to utilize the Public Realm Improvement Fund (the Fund), which is sourced by contributions made when developments, or where permitted, enlargements are made on qualifying sites in the East Midtown Subdistrict as defined in the New York City Zoning Resolution Section 81-61.

The Corporation is tasked to develop and maintain a Public Realm Improvement Concept Plan (Concept Plan) of distinct public realm improvement projects, and to apportion funding from the Fund to the projects based upon certain criteria as set forth in the Zoning Resolution. All improvements in the Concept Plan must: 1) be within the East Midtown Subdistrict, a location immediately adjacent thereto, or in a subway

See notes to financial statements.

or rail mass transit facility in the Borough of Manhattan which has significant ridership into and out of the Subdistrict; 2) have a City or State

**Public Realm Improvement Fund Governing Group Inc.
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Management's Discussion and Analysis

June 30, 2025 and 2024

agency as a project sponsor; 3) meet the definition of a capital project under Section 210 of the New York City Charter, as well as all other City requirements with respect to capital projects, including the Directives of the City Comptroller; 4) have sufficient funding in-hand at the time of project approval for the completion of the project and have identified sources of funding for the ongoing operational costs (if applicable) of the project; and 5) consist of either above-grade or below-grade public realm improvements.

Financial Analysis of the Corporation

Net Position - The following table summarizes the Corporation's financial position at June 30, 2025, 2024, and 2023 and the percentage changes between June 30, 2025, 2024, and 2023:

	2025	2024	2023	% Change	
				2025-2024	2024-2023
Current assets	\$ 44,798,891	\$ 40,697,110	\$ 41,148,424	10%	(1)%
Non-current assets	9,984,509	11,545,382	8,510,487	(14)%	36%
Total assets	54,783,400	52,242,492	49,658,911	5%	5%
Current liabilities	86,859	50,746	34,634	71%	47%
Total restricted net position	\$54,696,541	\$ 52,191,746	\$ 49,624,277	5%	5%

In fiscal year 2025, total assets increased by \$2,540,908 or 5% due to earned return on investments. Current assets increased by \$4,101,781 or 10% and non-current assets decreased by \$1,560,873 or 14% due to the reallocation of the investment portfolio between current and non-current investments.

Current liabilities increased by \$36,113 or 71% in fiscal year 2025 primarily due to additional expenses incurred and the timing of payments made to the New York City Economic Development Corporation (NYCEDC) for reimbursement of costs paid on the Corporation's behalf.

The Corporation's net position, during fiscal year 2025, increased by \$2,504,795, or 5%, as a result of the fiscal year operating activities. By comparison, the Corporation's net position, during fiscal year 2024, increased by \$2,567,469, or 5%.

See notes to financial statements.

Public Realm Improvement Fund Governing Group Inc.
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2025 and 2024

Prior Year

In fiscal year 2024, total assets increased by \$2,583,581 or 5% as a result of higher return on investments during 2024. Current assets decreased by \$451,314 or 1% and non-current assets increased by \$3,034,895 or 36% due to the reallocation of the investment portfolio between current and non-current investments.

Current liabilities increased by \$16,112 or 47% in fiscal year 2024 due to additional expenses incurred and the timing of payments made to the New York City Economic Development Corporation (NYCEDC) for reimbursement of costs paid on the Corporation's behalf.

Operating Activities

The Governing Group was organized to bolster and enhance East Midtown's status as a premier central business district through the selection and allocation of funds towards capital improvement projects identified in the Concept Plan that improve the public realm, its immediate vicinity and transit network.

The Corporation will accomplish this by utilizing funds deposited into the Fund to implement public realm improvement projects in accordance with the Public Realm Improvement Concept Plan and the New York City Zoning Resolution.

Contributions into the Fund are received from projects that use development rights from landmarks within the East Midtown Subdistrict or that rebuild non-complying floor area per 81-60 of the Zoning Resolution.

The following table summarizes the changes in the Corporation's net position for the fiscal year ended June 30, 2025, 2024 and 2023 and the percentage changes between June 30, 2025, 2024 and 2023:

	2025	2024	2023	% Change	
				2025-2024	2024-2023
Operating revenues	\$ —	\$ —	\$ 863,250	—%	(100)%
Operating expenses	(83,348)	(58,155)	(49,752)	43%	17%
Operating income (loss)	(83,348)	(58,155)	813,498	43%	(107)%
Non-operating revenues	2,588,143	2,625,624	1,524,445	(1)%	72%
Change in net position	\$ 2,504,795	\$ 2,567,469	\$ 2,337,943	(2)%	10%

See notes to financial statements.

Public Realm Improvement Fund Governing Group Inc.
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Management's Discussion and Analysis

June 30, 2025 and 2024

In fiscal year 2025, operating expenses increased by \$25,193 or 43% primarily due to the funding of the Park Avenue Landscape Architect Medians project.

Non-operating revenues comprised of investment gains of \$2,588,143, a decrease of \$37,481 or 1% in fiscal year 2025 due to market conditions.

Fiscal Year 2024 Activities

In fiscal year 2024, operating revenues decreased by \$863,250 or 100% as there were no contributions made into the fund during 2024.

Non-operating revenues comprised of investment gains of \$2,625,624, an increase of \$1,101,179 or 72% in fiscal year 2024 due to favorable market conditions.

Contacting the Corporation's Financial Management

This financial report is designed to provide our stakeholders with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the New York City Economic Development Corporation, One Liberty Plaza, New York, New York, 10006.

Public Realm Improvement Fund Governing Group Inc.
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Statements of Net Position

	June 30,	
	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents <i>(Note 3)</i>	\$ 24,174,603	\$ 21,340,732
Current investments <i>(Note 3)</i>	20,365,024	19,136,843
Interest receivable	<u>259,264</u>	<u>219,535</u>
Total current assets	<u>44,798,891</u>	<u>40,697,110</u>
Non-Current assets		
Non-current investments <i>(Note 3)</i>	<u>9,984,509</u>	<u>11,545,382</u>
Total non-current assets	<u>9,984,509</u>	<u>11,545,382</u>
Total assets	<u>54,783,400</u>	<u>52,242,492</u>
Liabilities and net position		
Current liabilities		
Accrued liabilities	21,113	–
Due to New York City Economic Development Corp. <i>(Note 6)</i>	<u>65,746</u>	<u>50,746</u>
Total current liabilities	<u>86,859</u>	<u>50,746</u>
Net Position - Restricted	<u>\$ 54,696,541</u>	<u>\$ 52,191,746</u>

See notes to financial statements.

Public Realm Improvement Fund Governing Group Inc.
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30,	
	2025	2024
Revenues	<u>\$ —</u>	<u>\$ —</u>
Total revenues	<u>—</u>	<u>—</u>
Expenses		
Project expenses	20,000	—
General and administrative expenses	63,348	58,155
Total expenses	<u>83,348</u>	<u>58,155</u>
Operating loss	(83,348)	(58,155)
Non-operating revenues		
Investment income	2,588,143	2,625,624
Total non-operating revenues	<u>2,588,143</u>	<u>2,625,624</u>
Change in net position	2,504,795	2,567,469
Restricted net position, beginning of year	<u>52,191,746</u>	<u>49,624,277</u>
Restricted net position, end of year	<u>\$ 54,696,541</u>	<u>\$ 52,191,746</u>

See notes to financial statements.

Public Realm Improvement Fund Governing Group Inc.
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Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
Cash Flows from Operating Activities		
General and administrative expenses paid	\$ (47,235)	\$ (42,043)
Net cash used in operating activities	<u>(47,235)</u>	<u>(42,043)</u>
 Cash Flows from Investing Activities		
Interest income	2,176,406	1,935,898
Sales of investments	48,996,966	42,376,322
Purchases of investments	<u>(48,292,266)</u>	<u>(41,996,126)</u>
Net cash provided by investing activities	<u>2,881,106</u>	<u>2,316,094</u>
 Net increase in cash and cash equivalents	2,833,871	2,274,051
 Cash and cash equivalents, beginning of year	<u>21,340,732</u>	<u>19,066,681</u>
Cash and cash equivalents, end of year	<u><u>\$ 24,174,603</u></u>	<u><u>\$ 21,340,732</u></u>
 Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (83,348)	\$ (58,155)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Due to New York City Economic Development Corp.	15,000	16,112
Accrued liabilities	<u>21,113</u>	<u>—</u>
Net cash used in operating activities	<u><u>\$ (47,235)</u></u>	<u><u>\$ (42,043)</u></u>

See notes to financial statements.

Public Realm Improvement Fund Governing Group Inc.
(A Component Unit of The City of New York)

Notes to Financial Statements

June 30, 2025 and 2024

1. Organization and Purpose

Public Realm Improvement Fund Governing Group Inc. (Governing Group or the Corporation) is a New York Not-for-Profit local development corporation formed under section 1411 of the Not-for-Profit corporation law and commenced operations in October 2017. The Corporation was created by the City of New York's (the City) zoning text amendment (Section 81-60) to administer the Public Realm Improvement Fund (the Fund) for the exclusive charitable and public purpose of lessening the burdens of government for the City and acting in the public's interest, by bolstering and enhancing East Midtown's status as a premier central business district with a high-quality public realm, by allocating funds from the Fund to implement public realm improvement projects.

The Corporation is governed by thirteen members; seven of which are representatives of City agencies, appointed by and serving at the pleasure of the Mayor and six non *ex officio* members, appointed by the office of the Manhattan Borough President, New York City Council, and Manhattan Community Boards. The Governing Group shall establish and maintain a Public Realm Improvement Concept Plan (Concept Plan), for the purpose of creating a list of priority improvements and shall have the authority to amend such Concept Plan, and associated list of improvements, as necessary. All priority improvements in the Concept Plan shall meet the criteria set forth in Section 81- 683 (Criteria for improvements in the Public Realm Improvement Concept Plan).

2. Summary of Significant Accounting Policies and Nature of Operations

Basis of Accounting and Presentation

The Corporation has been classified as an enterprise fund as defined by the Governmental Accounting Standards Board (GASB) and, as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. In its accounting and financial reporting, the Governing Group follows the pronouncements of the GASB.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Revenue and Expense Classification

The Corporation distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses are transactions that directly relate to the organization fulfilling its mission statement including related administrative expenses, if any. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions, money market funds, and highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

Investments

Investments held by the Governing Group are recorded at fair value based on quoted market prices.

Recent and Upcoming Accounting Pronouncements

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The adoption of this standard did not have an impact on the Corporation's financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to improve 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. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The Corporation is evaluating the impact this statement will have on its financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). The primary objective of this GASB 104 is to provide users of government financial statements with essential information about certain types of capital assets. GASB 104 also addresses certain application issues. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025. The adoption of this statement is not expected to have an impact on the Corporation's financial statements.

3. Deposits and Investments

At year-end, the Governing Group's cash equivalent bank balance in its sweep account was \$6,926,572 all of which was held in U.S. Government money market funds.

Fair Value Measurement – Fair Value hierarchy categorizes the inputs to valuation techniques used to measure fair value into the following levels:

Level 1 – value based on quoted prices in active markets for identical assets.

Level 2 – value based on significant other observable inputs such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 – value based on inputs that are unobservable and significant to the fair value measurement, such as discounted cash flows.

Money Market Funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. U.S. Treasury and Agency securities, categorized as Level 2, are valued on models using observable inputs.

As of June 30, 2025 and 2024, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2025.

	2025			
	Fair Value		Investment Maturities	
	2025	2024	Less Than 1	1 to 2
Money Market Funds	\$ 19,894	\$ 18,055	\$ 19,894	–
U.S. Treasury Notes	22,931	22,919	12,946	9,985
Commercial Paper	11,699	11,049	11,699	–
Total	54,524	52,023		
Less: investments classified as cash equivalents	(24,175)	(21,341)		
Total Investments	\$ 30,349	\$ 30,682		

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up to a maximum of two years from the date of purchase while also allowing 20% of assets categorized as investments to be invested with a stated maturity of no more than seven years from the date of purchase; this strategy manages its exposure to fair value losses arising from increasing interest rates. Except for holdings in United States Treasury Notes, all of the Corporation's investments have maturities of less than one year.

3. Deposits and Investments (continued)

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by nationally recognized bond rating agencies or other securities guaranteed or collateralized by the U.S. government. As of June 30, 2025, the Corporation's investments in U.S. Treasury Notes were rated Aa1 by Moody's and AA+ by Fitch Ratings; investments in Money Market Funds were rated AAA by Standard & Poor's; and investments in commercial paper were rated in the highest short-term category by at least two major rating agencies (A-1/A-1+ by Standard & Poor's and P-1 by Moody's).

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2025 and 2024 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2025		June 30, 2024	
U.S. Treasury Notes	\$	22,931	42%	\$ 22,919 44%

4. Restricted Net Position

In order to present financial condition and operating results of the Corporation in a manner consistent with the use of resources pursuant to its mission and bylaws, the Governing Group's net position resulting from operations will remain restricted.

5. Public Realm Improvement Fund

The Fund was established pursuant to the New York City Zoning Resolution Sections 81-642 and 81-643 for the deposit of contributions from projects that use development rights from landmarks within the East Midtown Subdistrict, or that rebuild non-complying floor area. The New York City Department of City Planning establishes the minimum contribution to the Fund.

5. Public Realm Improvement Fund (continued)

The following table depicts contributions made to the fund as of June 30, 2025:

Landmark (Granting Site)	Floor Area (SF)	Qualifying Site	Transaction Date	Fund Contribution
Grand Central Terminal St.	666,766	270 Park Avenue	12/4/2018	\$ 41,672,875
Bartholomew's Church St.	77,048.4	415 Madison Avenue	10/15/2021	4,774,207
Bartholomew's Church	13,812	410 Madison Avenue	03/17/2023	863,250
Total				<u>\$ 47,310,332</u>

The Governing Group will utilize the Fund to designate funding to implement improvements to the East Midtown Subdistrict, and its immediate vicinity, in the Borough of Manhattan.

6. Other Related-Party Transactions – New York City Economic Development Corporation

Related party transactions between New York City Economic Development Corporation (NYCEDC) and the Governing Group consist of reimbursable expenses due to NYCEDC of \$65,746 and \$50,746, as of June 30, 2025 and 2024, respectively. The Corporation does not have any employees. Administrative services are provided to the Corporation by NYCEDC and the Department of City Planning and no fees for services were charged for the years ended June 30, 2025 and 2024.

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 Management and Board of Directors
The Public Realm Improvement Fund Governing Group Inc.:

We have audited, in accordance with the 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 financial statements of the Public Realm Improvement Fund Governing Group Inc. (the Corporation) (a component unit of the City of New York, New York), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation's 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 Corporation's 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 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 16, 2025