

**MINUTES OF THE AUDIT COMMITTEE**  
**OF**  
**BUILD NYC RESOURCE CORPORATION**

**September 21, 2020**

A virtual meeting of the Audit Committee of the Board of Directors (the “Committee”) of Build NYC Resource Corporation (“Build NYC” or the “Corporation”) was held telephonically on Monday, September 21, 2020.

The following members of the Committee were present by means of a conference call at the above indicated meeting of the Committee (the “Meeting”), constituting a quorum:

- Albert V. De Leon
- Shanel Thomas
- Khary Cuffe

The following members of Build NYC staff were present by means of a conference call:

- Finance: Fred D’Ascoli – CFO, Spencer Hobson – EVP/Treasurer, Amy Chan – Controller, Carol Ann Butler – AVP
- Internal Audit (“IA”): Jennie Wallace – EVP, Allison Richardson – VP
- Compliance Department (“Compliance”): Shin Mitsugi – SVP and the Corporation’s Compliance Officer
- Strategic Investments Group (“SIG”): Krishna Omolade – VP and the Corporation’s Executive Director

Present by means of a conference call were representatives from Ernst & Young LLP (“EY”):

- Kimberly Hancy – Engagement Partner
- Nicole Rapport – Senior Manager

The Meeting was convened at 9:53 a.m.

## **1. Approval of the Minutes of the June 3, 2020 Audit Committee meeting**

Mr. De Leon asked if there were any questions or comments relating to the minutes of the June 3, 2020 meeting. There being no questions or comments, Mr. Cuffe motioned to approve the minutes. Ms. Thomas seconded the motion and the motion was approved.

## **2. Presentation of the Annual Financial Statements – Management Discussion**

Ms. Chan presented the Build NYC financial position as of year-end and discussed the financials.

Ms. Chan discussed the Statement of Revenues, Expenses, and Changes in Net Position. Build NYC had an ending net position of \$8.8 million, which represents a decrease of \$1.7 million as compared to FY2019 of \$10.5 million. The decrease in net position is mainly attributable to a decrease in fee income of approximately \$1.6 million due to fewer closings in FY2020 as compared to FY2019. Similar to NYCIDA, operating expenses remain flat as compared to the prior year. Special project costs increased by \$700,000 due to an \$860,000 expense for the Power Station at BerkleeNYC (a public-private partnership with Berklee College of Music) leaves a change in net position decrease of \$1.7 million.

Ms. Chan discussed the Statements of Net Position. The net position of \$8.8 million is primarily comprised of unrestricted cash and investments of \$9.7 million netted with approximately \$900,000 of current payables and unearned revenue.

Ms. Chan provided an overview of the Schedule of Investments highlighting the investment components of Build NYC's portfolio. As for the breakout of investments, 98% of the unrestricted investments are government securities, and 2% in money market funds, all of which are well within what is permitted under the Corporation's Investment Policies Guidelines.

Ms. Chan noted that there were no significant changes to the contents of this year's financial statements as compared to prior year other than the reference in the MD&A that as a direct result of COVID-19, certain closings were delayed due to the market and financial conditions, causing a reduction in revenue and assets.

### **EY Audit Plan**

Ms. Hancy commented that the high-level audit procedures for Build NYC are similar to the high-level audit procedures discussed in the NYCIDA Committee meeting.

Ms. Hancy stated that EY did not identify any material misstatements, material weaknesses, instances of fraud or non-compliance with laws and regulations. This is a required communication under Government Auditing Standards.

Mr. De Leon asked if there were any questions or comments related to the presentation of the Build NYC annual Financial Statements and the Schedule of Investments report. There being no questions or comments, Mr. Cuffe motioned to approve the statements for presentation and approval by the full board, Ms. Thomas seconded, and the motion was approved.

**3. Internal Audit Activity Update**

Ms. Wallace commented that all FY2020 Build NYC audits have been completed and reports have been issued. She stated that there is one low-risk open issue for Build NYC that overlaps with NYCIDA related to documentation and IA is in the process of validating the completion of this issue.

Ms. Wallace discussed the FY2021 Audit Plan. She commented that the Audit Plan is similar to the NYCIDA Audit Plan, as discussed in the NYCIDA Audit Committee meeting.

**4. Compliance Activity Update**

Mr. Mitsugi stated that Build NYC is at the final stage of completing the required annual PAAA reports to the NYS Authority Budget Office. Mr. Mitsugi said that the annual reports for Build NYC and NYCIDA will be completed by the statutory deadline of September 30, 2020.

**5. Session with External Auditors**

A private session with EY was held at this time

**6. Session with Management**

A private session with Management was held at this time

**7. Session with Internal Audit**

A private session with Internal Audit was not held at this time

**8. Adjournment**

There being no further business, the meeting was adjourned at 10:38 a.m.

  
Shin Mitsugi (Jan 21, 2021 11:14 EST)

Assistant Secretary

01/21/2021

Date: \_\_\_\_\_

New York, New York