MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
NOVEMBER 8, 2023

The following directors and alternates were present, constituting a quorum:

Andrew Kimball (Chairperson)
Ellen Baer
Nate Bliss, alternate for Maria Torres-Springer,
  Deputy Mayor for Housing,Economic Development and Workforce
Francesco Brindisi, alternate for Brad Lander
  Comptroller of The City of New York
HeeWon Brindle-Khym
Felix A. Ciampa
Richard W. Eaddy
Adam Friedman
Venetia Lannon
Janet Mejia-Peguero
Douglas Rose, alternate for Dan Garodnick,
  Chair of the City Planning Commission of The City of New York
Shanel Thomas
Betty Woo, alternate for Hon. Sylvia Hinds-Radix,
  Corporation Counsel of The City of New York

The following directors and alternates were not present:

Randolph Peers
James Prendamano

Andrew Kimball, President of New York City Economic Development Corporation ("NYCEDC") and Chairperson of the Build NYC Resource Corporation ("Build NYC" or the "Corporation"), convened the meeting of the Board of Directors of Build NYC at 9:35 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the September 19, 2023 Board Meeting

Mr. Kimball asked if there were any comments or questions relating to the minutes of the September 19, 2023 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for September 30, 2023 (Unaudited)

Carol Ann Butler, an Assistant Vice President of NYCEDC, presented the Corporation's Financial Statements for the three-month period ending September 30, 2023 (Unaudited). Ms. Butler reported that for the three-month period the Corporation recognized revenues from project finance fees from one transaction totaling $138,000. In addition, revenues derived from compliance, application, post-closing and other fees in the amount of $53,000. Ms. Butler also reported that $555,000 in operating expenses, largely consisting of the monthly management fee, were recorded for the Corporation for the three-month period that ended on September 30, 2023 (Unaudited).

3. Fiscal Year 2023 Annual Report of the Board of Directors

Emily Marcus Falda, a Vice President for NYCEDC and Executive Director of the Agency, presented for review and approval the Annual Report of the Board of Directors for the 12-month fiscal period ended June 30, 2023. Ms. Marcus Falda stated that this report is required under Section 519 of the Not-for-Profit Corporation Law of the State of New York. Ms. Marcus Falda stated that during the Corporation's annual meeting of the Members, the Members of the Corporation would be asked to acknowledge receipt of the report.

There being no comments or questions, a motion to approve the Annual Report attached hereto as Exhibit A was made, seconded and unanimously approved.

4. St. Ann's School

Anna Makogon, a Project Manager for NYCEDC, presented for review and adoption a post-closing resolution for the benefit of St. Ann's School authorizing amendments to the Series 2021 Note and related project documents to address the removal of the 116 Pierrepont Street project location from the Series 2021 Project and reallocate sale proceeds to improvements at other locations of the School and the acquisition of a new building at located 142 Pierrepont Street. Ms. Makogon described the project and its benefits, as reflected in Exhibit B.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit B for the benefit of St. Ann's School was made, seconded and unanimously approved.

5. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:44 a.m.

Arthur Harrison

Assistant Secretary

Dated: 1/23/24

New York, New York

Exhibit A

BUILD NYC RESOURCE CORPORATION

Meeting of the Board of Directors – November 8, 2023

RESOLVED, that the Board of Directors of Build NYC Resource Corporation (the "Corporation") hereby approves the form, content, presentation and delivery of the Annual Report of the Board of Directors for the 12-Month Fiscal Period Ended June 30, 2023, which attaches the audited financial statements of the Corporation for such fiscal period as audited by the independent certified public accounting firm Ernst & Young LLP, to the Members of the Corporation.

Annual Report of the Board of Directors
of Build NYC Resource Corporation ("Build NYC")
for the 12-Month Fiscal Period Ended June 30, 2023

TO: The Members of Build NYC

The Board of Directors of Build NYC respectfully submits for your information the following report relating to Build NYC for the twelve-month fiscal period ended June 30, 2023:

1. Attached hereto are the Financial Statements and Supplementary Information of Build NYC for the year ended June 30, 2023, which has been certified by, and includes a Report of Independent Auditors from, Ernst & Young LLP. Such attachments show in appropriate detail the financial information required to be provided to the Members of Build NYC pursuant to Section 519 of the New York State Not-for-Profit Corporation Law.

2. The number of Members of Build NYC as of November 8, 2023 is 15.

3. The number of Members of Build NYC was 15 on June 30, 2022 and 13 on June 30, 2023.

4. The names and addresses of the current Members of Build NYC may be found in the Members/Directors book of Build NYC, which is kept at One Liberty Plaza, New York, New York 10006.

Dated: November 8, 2023
New York, New York

____
Emily Marcus, Executive Director

____
Spencer Hobson, Treasurer

State of New York)
) ss.:
County of New York)

Emily Marcus, being first duly sworn, deposes and says that she executed the foregoing report and is the Executive Director of Build NYC Resource Corporation, that she has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

____
Emily Marcus

Sworn to before me this 8th
day of November, 2023

____
Notary Public

State of New York)
) ss.:
County of New York)

Spencer Hobson, being first duly sworn, deposes and says that he executed the foregoing report and is the Treasurer of Build NYC Resource Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

____
Spencer Hobson

Sworn to before me this 22nd
day of November, 2022

____
Notary Public

Build NYC Resource Corporation

(a component unit of The City of New York)

Financial Statements and Required Supplementary Information

Years Ended June 30, 2023 and 2022
With Reports of Independent Auditors

BUILDNYC
Build NYC Resource Corporation

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Financial Statements and Required Supplementary Information

Years Ended June 30, 2023 and 2022

Contents

I. Financial Section

Ernst & Young LLP
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New York, NY 10001-8604

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Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Build NYC Resource Corporation (the Corporation), a component unit of the City of New York, which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2023 and 2022, and the respective 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's 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 of 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 of material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- 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 audit 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 audit.

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 financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 October 2, 2023 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 the Corporation's internal control over financial reporting and compliance.

Ernst & Young LLP

October 2, 2023

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2023 and 2022

This section of the Build NYC Resource Corporation's (Build NYC or the Corporation) annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2023 and 2022. Please read it in conjunction with the financial statements and accompanying notes which follow this section.

Fiscal Year 2023 Financial Highlights

- Current assets increased by $707,504 (or 10%)
- Non-current assets decreased by $97,418 (or 6%)
- Current liabilities decreased by $382,491 (or 47%)
- Net position increased by $992,577 (or 12%)
- Operating revenues decreased by $79,211 (or 3%)
- Operating expenses decreased by $3,687 (or 0.2%)
- Non-operating revenues, net increased by $257,689 (or 4,621%)

Overview of the Financial Statements

This annual financial report consists of two parts: *Management's Discussion and Analysis* (this section) and the *Basic Financial Statements,* which include footnote disclosures. Build NYC is considered a component unit of The City of New York (The City) for The City's financial reporting purposes. Build NYC is a local development corporation that was organized under the Not-For-Profit Corporation Law of The State of New York to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing.

Build NYC is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. The Corporation's financial reporting is presented in a manner similar to a private business.

Financial Analysis of the Corporation

Net Position – The following table summarizes the Corporation's financial position at June 30, 2023, 2022, and 2021 and the percentage change between June 30, 2023, 2022, and 2021:

				% Change	
	2023	**2022**	**2021**	**2023–2022**	**2022–2021**
Current assets	**$ 7,870,788**	$ 7,163,284	$ 4,821,950	**10%**	49%
Non-current assets	**1,646,076**	1,743,494	2,996,609	**(6)**	(42)
Total assets	**9,516,864**	8,906,778	7,818,559	**7**	14
Current liabilities	**432,535**	815,026	537,229	**(47)**	52
Total unrestricted net position	**$ 9,084,329**	$ 8,091,752	$ 7,281,330	**12**	11

Fiscal Year 2023 Activities

In fiscal year 2023, total assets increased by $610,086 or 7%, primarily due to approximately $780,000 of cash provided by current year operations. Non-current assets decreased by $97,418 or 6% due to investments previously classified as long-term becoming current.

Current liabilities decreased by $382,491 or 47% primarily due to a reimbursement payment made during the fiscal year to New York City Economic Development Corporation (NYCEDC) of $422,470. This related to a special project commitment for Berklee College of Music, Inc. that was approved by the Build NYC Board of Directors on November 8, 2017.

As a result of an increase in the Corporation's operating and non-operating activities, net position increased by $992,577 or 12% in fiscal year 2023, as compared to an increase of 11% in fiscal year 2022.

Fiscal Year 2022 Activities

In fiscal year 2022, total assets increased by $1,088,219 or 14%, primarily due to approximately $1,100,000 of cash provided by current year operations. Non-current assets decreased by $1,253,115 or 42% due to investments previously classified as long-term becoming current.

Current liabilities increased by $277,797 or 52% due to down payments received of $219,000 and $69,495 for future closings related to Aero JFK II, LLC and Aero JFK, LLC, respectively.

Fiscal Year 2022 Activities (continued)

As a result of an increase in the Corporation's operating and non-operating activities, net position increased by $810,422 or 11% in fiscal year 2022, as compared to a decrease of 17% in fiscal year 2021.

Operating Activities

Build NYC was organized to assist entities in obtaining tax-exempt and taxable bond financing. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for entities to acquire, construct, renovate, and/or equip their facilities, as well as refinance previous financing transactions.

The Corporation charges various program fees that include application fees, financing fees, post closing fees, and compliance monitoring fees.

The following table summarizes changes in Build NYC's net position for fiscal years 2023, 2022, and 2021 and the percentage change between June 30, 2023, 2022, and 2021:

				% Change	
	2023	**2022**	**2021**	**2023-2022**	**2022-2021**
Operating revenues	**$ 3,042,920**	$ 3,122,141	$ 2,748,013	**(3)%**	14%
Operating expenses	**2,302,455**	2,306,142	2,268,206	**–**	2
Operating income	**740,465**	815,999	479,807	**(9)**	70
Non-operating revenues (expenses), net	**252,112**	(5,577)	(2,004,417)	**4,621**	(100)
Change in net position	**$ 992,577**	$ 810,422	$ (1,524,610)	**22**	153

Fiscal Year 2023 Activities

In fiscal year 2023, operating revenues decreased by $79,221 or 3%. This is a result of a decrease in project finance fee revenues of approximately $52,000 and a decrease of $40,000 in application fees. The decrease of fee revenues is due to the generation of thirteen bond transactions in 2023 as compared to fifteen bond transactions in 2022.

Total operating expenses decreased by $3,687 in fiscal year 2023, remaining relatively unchanged as compared to prior year.

Fiscal Year 2023 Activities (continued)

The net non-operating revenues (expenses) category had a total increase of $257,689 in fiscal year 2023 primarily due to investment income generated as a result of favorable market conditions during fiscal year 2023.

Fiscal Year 2022 Activities

In fiscal year 2022, operating revenues increased by $374,128 or 14%. This is a direct result of an increase in project finance fee revenue, most notably, the transactional closings of The Shefa School, Inc., and Marymount School of New York. The uptick in fee revenue is due to the generation of fifteen bond transactions in 2022 as compared to twelve bond transactions in 2021.

Total operating expenses increased by $37,936 in fiscal year 2022 or 2%, as a result of bad debt expense of $25,174 recognized for one project and an increase in public hearing notices directly correlated to an increase in financing activity.

The net non-operating (expenses) revenues category had a total decrease of $1,998,840 in fiscal year 2022, a 100% decrease over the prior year, primarily due to a lack of special project activity during FY2022.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients, creditors and the public 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 Chief Financial Officer, Build NYC Resource Corporation, One Liberty Plaza, New York, NY 10006.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Net Position

	June 30	
	2023	**2022**
Assets		
Current assets:		
Cash and cash equivalents *(Note 3)*	**$ 1,413,375**	$ 4,174,379
Investments *(Note 3)*	**6,454,808**	2,985,959
Fees receivable, net of allowance for doubtful accounts of $28,755 and $25,174, respectively	**2,605**	2,946
Total current assets	**7,870,788**	7,163,284
Non-current assets,		
Investments *(Note 3)*	**1,646,076**	1,743,494
Total non-current assets	**1,646,076**	1,743,494
Total assets	**9,516,864**	8,906,778
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	**59,497**	40,000
Due to New York City Economic Development Corporation	**11,047**	422,679
Unearned revenue and other liabilities	**361,991**	352,347
Total current liabilities	**432,535**	815,026
Net position – unrestricted	**$ 9,084,329**	$ 8,091,752

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2023	**2022**
Operating revenues		
Fee income *(Note 2)*	**$ 3,042,920**	$ 3,122,141
Total operating revenues	**3,042,920**	3,122,141
Operating expenses		
Management fees *(Note 4)*	**2,200,000**	2,200,000
Public hearing expenses	**55,083**	40,289
Auditing expenses	**41,500**	40,000
Bad debt expense	**3,581**	25,174
Other expenses	**2,291**	679
Total operating expenses	**2,302,455**	2,306,142
Operating income	**740,465**	815,999
Non-operating revenues (expenses)		
Investment income (loss)	**252,112**	(5,577)
Total non-operating revenues (expenses), net	**252,112**	(5,577)
Change in net position	**992,577**	810,422
Unrestricted net position, beginning of year	**8,091,752**	7,281,330
Unrestricted net position, end of year	**$ 9,084,329**	$ 8,091,752

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Cash Flows

	Year Ended June 30 2023	2022
Cash flows from operating activities		
Financing and other fees	**$3,049,325**	$3,397,657
Management fees paid	**(2,200,000)**	(2,200,000)
Audit expenses paid	**(40,000)**	(36,500)
Public hearing expenses paid	**(26,661)**	(40,289)
Miscellaneous expenses paid	**(1,879)**	(1,268)
Net cash provided by operating activities	**780,785**	1,119,600
Cash flows from investing activities		
Investment income	**252,112**	10,279
Sale of investments	**2,945,943**	2,000,000
Purchase of investments	**(6,317,374)**	(1,750,000)
Net cash (used in) provided by investing activities	**(3,119,319)**	260,279
Cash flows from non-capital financing activities		
Special projects	**(422,470)**	–
Net cash used in non-capital financing activities	**(422,470)**	–
Net (decrease) increase in cash and cash equivalents	**(2,761,004)**	1,379,879
Cash and cash equivalents at beginning of year	**4,174,379**	2,794,500
Cash and cash equivalents at end of year	**$ 1,413,375**	$ 4,174,379
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 740,465**	$ 815,999
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for bad debt	**3,581**	25,174
Changes in operating assets and liabilities:		
Fees receivable	**(3,240)**	630
Accounts payable and accrued expenses	**19,497**	3,500
Due to NYC Economic Development Corp.	**820**	(92)
Unearned revenue and other liabilities	**19,662**	274,389
Net cash provided by operating activities	**$ 780,785**	$ 1,119,600

See accompanying notes.

1. Background and Organization

Build NYC Resource Corporation (Build NYC or the Corporation), a component unit of The City of New York (The City), is a local development corporation, organized under section 1411 of the Not-For-Profit Corporation Law of the State of New York that commenced operation in 2011. Build NYC was organized to assist entities in obtaining tax-exempt and taxable bond financing under the federal tax laws. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities and to refinance previous financing transactions.

The Corporation is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financial assistance. Its membership is prescribed by the Corporation's Certificate of Incorporation and By-Laws which include a public official and appointees of the Mayor.

Bonds issued by Build NYC are special nonrecourse conduit debt obligations of the Corporation, which are payable solely from the payments and revenues provided for in the loan agreements with participating organizations (beneficiaries). The bonds are secured by collateral interests in the loan agreements and other security provided by the beneficiaries. Both the bonds and certain provisions of the loan agreements are administered by independent bond trustees appointed by the Corporation.

The total conduit debt obligations outstanding totaled $3,741,564,404 and $3,541,340,212 for the years ended June 30, 2023 and 2022, respectively. Due to the fact that: (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interests in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the accompanying financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation

Build NYC 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 of America. In its accounting and financial reporting, Build NYC follows the pronouncements of the GASB.

Cash Equivalents

The Corporation considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

Investments

Investments held by Build NYC are recorded at fair value based on quoted market prices, except for certificates of deposit, which are valued at cost.

Revenue and Expense Recognition

Operating revenues consist of income from application fees, financing fees, recaptured benefits, compliance monitoring fees and late fees. Application and financing fees are recognized as earned when paid. Build NYC's recapture of benefits is solely based upon the mortgage recording tax waiver; this benefit eliminates the mortgage recording taxes correlated with mortgages taken for the project. This benefit is recaptured as a result of a violation of the project agreement. Compliance monitoring fees are received annually, in advance, and deferred and amortized into income as earned.

Build NYC's operating expenses include management fees and related administration expenses. All other revenues and expenses are reported as non-operating revenues and expenses.

2. Summary of Significant Accounting Policies (continued)

Recent and Upcoming Accounting Pronouncements

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain paragraphs of this statement were effective immediately and did not have a significant impact on the Corporation's financial statements. The remaining requirements of this statement are effective for fiscal years beginning after June 15, 2022 and beyond. The adoption of this statement did not have an impact on the Corporation's financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primarily objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Corporation is evaluating the impact this statement will have on its financial statements.

3. Deposits and Investments

At year-end, Build NYC's cash and cash equivalent balance held in bank was $1,339,437. Of this amount, $250,000 was insured by the Federal Depository Insurance Corporation. Of the remaining balance, $340,124 was invested in U.S. government money market funds.

Fair Value Measurement – The 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.

3. Deposits and Investments (continued)

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, 2023 and 2022, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2023.

	Fair Value		2023 Investment Maturities (in Years)	
	2023	**2022**	**Less Than 1**	**1 to 2**
Money market funds	**$ 414**	$ 3,150	**$ 414**	**$ –**
Federal Farm Credit Bank	**1,072**	2,986	**1,072**	–
Federal Home Loan Bank	**7,029**	1,743	**5,383**	**1,646**
Total	**8,515**	7,879		
Less: investments classified as cash equivalents	**(414)**	(3,150)		
Total investments	**$ 8,101**	$ 4,729		

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 as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2023, the Corporation's investments in Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) were rated AA+ by Standard & Poor's (S&P), Aaa by Moody's Investor Services, Inc. (Moody's) and AAA by Fitch Ratings. Money market funds share the same credit ratings as the Corporation's federally held securities, with the exception of S&P, which does not rate such funds.

3. Deposits and Investments (continued)

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 counterparty. 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, 2023 and 2022 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments					
Issuer	**June 30, 2023**			**June 30, 2022**		
Federal Farm Credit Bank	**$**	**1,072**	**13%**	$	2,986	63%
Federal Home Loan Bank	**$**	**7,029**	**87%**	$	1,743	37%

4. Management Fee

To support the activities of Build NYC, the Corporation annually enters into a contract with the New York City Economic Development Corporation (NYCEDC), a not-for-profit corporation and a component unit of The City organized to administer economic development programs which foster business expansion in The City. Under the terms set forth in the contract, NYCEDC provides Build NYC with all the professional, administrative, and technical staff assistance it needs to accomplish its objectives. The fixed annual fee for these services under the agreement between NYCEDC and the Corporation is $2,200,000 for both fiscal years ended June 30, 2023 and 2022.

5. Commitments

Pursuant to board approved agreements between Build NYC and NYCEDC, Build NYC committed to fund projects being administered by NYCEDC relating to The City's community and economic development initiatives. Total special project commitments under these agreements amounted to $3,000,000 with an outstanding obligation of $3,000,000 at June 30, 2023. The current special project commitment, approval date, total and outstanding commitment balances are as follows as of June 30, 2023:

Project	Approval Date	Total Commitment	Life To-Date Expenses	Current Total De-Obligate	Outstanding Commitment
We Venture Investment Fund	9/21/2001	$ 700,000	$ –	$ (700,000)	$ –
Industrial Development Loan Fund	9/21/2001	3,000,000	–	–	3,000,000
		$ 3,700,000	$ –	$ (700,000)	$ 3,000,000

For the years ended June 30, 2023 and 2022, no expenses have been incurred by the Corporation relating to the above projects.

6. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, Build NYC has been named a party to personal injury litigation in the past. Build NYC requires all project companies to indemnify Build NYC and to purchase and maintain commercial insurance coverage for these risks and name Build NYC as an additional insured. Build NYC also is an additional named insured on NYCEDC's general liability policy. At June 30, 2023, there were no reported pending personal injury claims or litigation against Build NYC.

II. *Government Auditing Standards* Section

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Report of Independent Auditors 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 the Board of Directors
Build NYC Resource Corporation

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 (*Government Auditing Standards)*, the financial statements of the Build NYC Resource Corporation (the Corporation), a component unit of the City of New York, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"), and have issued our report thereon dated October 2, 2023.

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

Ernst + Young LLP

October 2, 2023

Exhibit B

Project Summary

Saint Ann's School (the "School" or "Saint Ann's") is a New York not-for-profit education corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, serving more than 1,000 students from pre-school through 12th grade. In September 2015, Build NYC Resource Corporation (the "Corporation") issued $30,000,000 Tax-Exempt Revenue Notes ("Series 2015 Notes") that were used to: (1) finance the renovation, expansion, furnishing and equipping of three of the School's buildings located at 129, 124 and 122 Pierrepont Street in Brooklyn Heights (the lots for 122 Pierrepont Street and 124 Pierrepont Street were subsequently merged and are now both known as 124 Pierrepont) and (2) pay for certain costs associated with the issuance of the Series 2015 Notes.

In June 2021, the Corporation issued an additional up to $11,500,000 Tax-Exempt Revenue Note (the "Series 2021 Note") to (i) finance the acquisition of a 5,000 square foot, five-level building located on a 2,500 square foot parcel of land located at 116 Pierrepont Street in the same neighborhood; (ii) finance necessary renovations, repairs, and upgrades to three of the School's existing buildings located at 129, 124 and 153 Pierrepont Street; and (iii) pay for certain costs related to the issuance of the Series 2021 Notes (i, ii and iii collectively, the "Series 2021 Project"). In addition, the Series 2015 Notes were amended contemporaneously with the issuance of the Series 2021 Note in order to, among other things, extend the maturity date of the Series 2015 Notes and (2) reduce the interest rate payable on the Series 2015 Notes.

The School is now seeking approval of a reissuance for certain federal tax purposes of a portion of the Series 2021 Note in connection with the anticipated sale of 116 Pierrepont Street. The School will be undertaking remedial action with respect to the allocable share of the Series 2021 Note attributed to that building, which will be removed from the Series 2021 Project. The maximum principal amount of the Series 2021 Note to be reissued for this purpose is up to $6,000,000. Disposition proceeds from the sale of 116 Pierrepont Street will be used by the School to finance some or all of: (i) renovations and improvements at the Bosworth Building at 129 Pierrepont Street, including to the HVAC system, outdated facilities, and structural steel, in the approximate amount of up to $3,250,000; (ii) renovations and improvements to the School's Computer Center at 151 Pierrepont Street in the approximate amount of up to $2,000,000; and (iii) the acquisition of a building at 142 Pierrepont Street in the approximate amount of up to $7,000,000.

Project Locations

122, 124, 129, 142, 151, and 153 Pierrepont Street
Brooklyn, New York 11201

Actions Requested

Approve amendments to the Series 2021 Note and related project documents to address the removal of 116 Pierrepont Street location from the Series 2021 Project and reallocate sale proceeds to improvements at other locations of the School and acquisition of a new building at 142 Pierrepont Street.

Adopt a Negative Declaration for this project.

Prior Board Actions

May 12, 2015 - Inducement and authorization of Series 2015 Notes.
March 9, 2021 - Post-closing amendment with respect to the Series 2015 Notes and inducement and authorization of the Series 2021 Note.

SEQRA Determination

NYCEDC staff has determined that the proposed action is an Unlisted action, which if implemented, will not result in significant adverse environmental impacts. Staff recommends the Board adopt a Negative Declaration for the Project and find that there are no significant adverse environmental impacts. The completed Environmental Assessment Form for the Project has been reviewed and signed by Corporation staff.

Due Diligence

A review of the School's compliance requirements with its 2015 and 2021 Tax-Exempt Note documents revealed no outstanding issues.

Anticipated Transaction Date

December 2023

Resolution approving the amendment of the Build NYC Resource Corporation 2021 Tax-Exempt Revenue Note (Saint Ann's School Project) issued in the aggregate principal amount of up to $11,500,000 and related documents thereto and the taking of other action in connection therewith

WHEREAS, Build NYC Resource Corporation (the "Issuer") is authorized pursuant to Section 1411(a) of the Not-For-Profit Corporation Law of the State of New York, as amended (the "N-PCL"), and its Certificate of Incorporation and By-Laws, (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the "City") by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured bases; and (iii) to undertake other projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, lessening the burdens of government and acting in the public interest; and

WHEREAS, on March 9, 2021, the Issuer adopted a resolution (the "Original Resolution") authorizing, among other things, the issuance of its 2021 Tax-Exempt Revenue Note (Saint Ann's School Project), in the aggregate principal amount of approximately $12,000,000 (the "Issuer Promissory Note") or such greater amount (not to exceed 10% more than such stated amount), for the benefit of Saint Ann's School (the "Borrower"), a New York not-for-profit education corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to finance (i) the acquisition of a 5,000 square foot, five-level building located on a 2,500 square foot parcel of land located at 116 Pierrepont St, Brooklyn 11201; (ii) necessary renovations, repairs and upgrades to three buildings: (a) an approximately 116,863 square foot seven-level building located on an approximately 8,121 square foot parcel of land located at 129 Pierrepont Street, Brooklyn, New York 11201, (b) an approximately 18,600 square foot five-level building located on an approximately 5,000 square foot parcel of land located at 124 Pierrepont Street, Brooklyn, New York, and (c) an approximately 27,680 square foot 6-level building located on an approximately 3,979 square foot parcel of land located at 153 Pierrepont Street, Brooklyn, New York 11201; and (iii) the payment of certain costs related to the issuance of the Issuer Promissory Note (i, ii and iii collectively, the "Project"); and

WHEREAS, all of the facilities described above (collectively, the "Facilities") are owned and operated by the Borrower as a co-educational private school for students in pre-kindergarten through twelfth grade; and

WHEREAS, on June 30, 2021, the Issuer issued the Issuer Promissory Note in the amount of up to $11,500,000 in connection with its undertaking of the Project; and

WHEREAS, the Issuer Promissory Note was issued pursuant to a Master Loan Agreement, dated as of June 30, 2021 (the "Original Master Loan Agreement"), by and among the Issuer, the Borrower and First Republic Bank (the "Lender"); and

WHEREAS, in order to finance the costs of the Project, the Issuer obtained a loan from the Lender (as further defined in the Original Master Loan Agreement, the "Issuer Loan"), and loaned the proceeds thereof to the Borrower (as further defined in the Original Master Loan Agreement, the "Borrower Loan" and, together with the Issuer Loan, the "Loans"); and

WHEREAS, concurrently with the execution of the Original Master Loan Agreement and in order to evidence the Loans, the Borrower executed and delivered to the Issuer a Promissory Note to evidence the Borrower's payment obligation under the Borrower Loan (the "Borrower Promissory Note" and, together with the Issuer Promissory Note, collectively, the "Promissory Notes" or "Notes"), and the Issuer executed and delivered to the Lender the Issuer Promissory Note to evidence the Issuer's payment obligation under the Issuer Loan; and

WHEREAS, the Notes are currently outstanding in the principal amount of $11,500,000; and

WHEREAS, the Borrower has now determined that it is beneficial to the Borrower to sell 116 Pierrepont Street, Brooklyn, New York, which is one of the Project locations that was financed in part with proceeds of the Notes; and

WHEREAS, the Borrower intends to take remedial action with respect to the sale, through the expenditure of the disposition proceeds thereof, which will result in a reissuance for certain federal tax purposes of a portion of the Issuer Promissory Note; and

WHEREAS, the maximum principal amount of the Issuer Promissory Note to be reissued for this purpose is $6,000,000; and

WHEREAS, the Borrower has informed the Issuer that the disposition proceeds from the property sale will be used by the Borrower to finance: (i) renovations and improvements at the Bosworth Building located at 129 Pierrepont Street, Brooklyn, New York, including to the HVAC system, outdated facilities, and structural steel, in the amount of up to $3,250,000, (ii) renovations and improvements to the Computer Center at 151 Pierrepont Street, Brooklyn, New York, in the approximate amount of up to $2,000,000 and (iii) the acquisition of a building at 142 Pierrepont Street, Brooklyn, New York, in the approximate amount of up to $7,000,000 (i, ii and iii collectively, the "New Project"); and

WHEREAS, the Borrower has requested that the Issuer and the Lender amend the Original Master Loan Agreement pursuant to the provisions of Section 12.07 of the Original Master Loan Agreement in order to, among other things, reflect the release of the property located at 116 Pierrepont Street, Brooklyn, New York from the Project and to include the New Project in the definition of "Project" under the Original Master Loan Agreement (collectively, the "Amendments"); and

WHEREAS, in order to effectuate the Amendments, the Borrower, the Issuer and the Lender will enter into an Amendment to Master Loan Agreement (the "Amendment to Master Loan Agreement"); and

NOW, THEREFORE, BE IT RESOLVED BY BUILD NYC RESOURCE CORPORATION AS FOLLOWS:

Section 1. The execution and delivery of the Amendment to Master Loan Agreement, an amendment to, or an amendment and restatement of, the Tax Regulatory Agreement among the Issuer and the Borrower and any other necessary amendments to the note documents reflecting the Amendments (the documents referenced in this Section 1 being, collectively, the "Issuer Documents"), each being substantially in the form approved by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer in consultation with counsel, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Documents. The execution and delivery of each such Issuer Documents by said officer shall be conclusive evidence of due authorization and approval.

Section 2. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members or directors thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, directors, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the members or directors of the Issuer nor any officer executing the Issuer Documents shall be liable personally on the Issuer Documents or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 3. The officers of the Issuer are hereby designated the authorized representatives of the Issuer and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Issuer Documents.

Section 4. The Issuer, as lead agency, is issuing this determination with respect to the New Project pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6

N.Y.C.R.R. Part 617. This determination is based upon the Issuer's review of information provided by the Borrower and such other information as the Issuer has deemed necessary and appropriate to make this determination.

The Issuer has determined that the New Project, an Unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

1. The New Project will not result in a substantial adverse change in existing traffic, air quality, or noise levels. The upgraded facilities will continue to serve the existing school enrollment.

2. The New Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood. The building at 129 Pierrepont Street is located in the Brooklyn Heights Historic District. Internal renovations and upgrades to the building will require permits from the Department of Buildings and therefore require a routine review by the New York City Landmarks Preservation Commission. It is expected that the proposed renovations and upgrades will receive a Certificate(s) of No Effect from the New York City Landmarks Preservation Commission as they will not affect the architectural features of the building. Therefore, the proposed renovations would have no effect on the Brooklyn Heights Historic District.

3. The New Project would not result in a change in existing zoning or a substantial change in land use.

4. A Phase I and limited Phase II Environmental Site Assessment (Soil Vapor Intrusion Investigation) were completed for the 142 Pierrepont Street site in March and May of 2023, respectively.

The Phase I identified that past on-site manufacturing operations was a Recognized Environmental Condition (REC) on the site and recommended further investigation. As the site will not be demolished for the project, a limited Phase II was completed, consisting of sub-slab soil vapor and indoor/outdoor air samples.

The limited Phase II detected VOC concentrations that did not exceed the NYSDOH Air Guideline Values. Evaluation of compounds listed in the NYSDOH Decision Matrices yielded a recommendation of no further action. Cracks were observed during Phase II, and it is suggested that any cracks or penetrations should be sealed immediately during the proposed redevelopment of the site. The Borrower should complete a full Phase II assessment of the 142 Pierrepont Street site to ensure that all hazardous materials are delineated prior to the proposed redevelopment of the site into a school.

If these recommendations are followed, we do not anticipate any significant adverse impacts resulting from the proposed project due to Hazmat.

5. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 5. This Resolution shall take effect immediately.

ADOPTED: November 8, 2023

Exhibit C