

Please refer to page 18 for the 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*.

**Build NYC Resource Corporation**  
(a component unit of The City of New York)

**Financial Statements and  
Required Supplementary Information**

**Years Ended June 30, 2024 and 2023  
With Reports of Independent Auditors**



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, 2024 and 2023

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# I. Financial Section



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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, 2024 and 2023, 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 “basic 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, 2024 and 2023, 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 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 30, 2024 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*

September 30, 2024

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

Management's Discussion and Analysis

June 30, 2024 and 2023

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, 2024 and 2023. Please read it in conjunction with the financial statements and accompanying notes which follow this section.

**Fiscal Year 2024 Financial Highlights**

- Current assets decreased by \$577,919 (or 7%)
- Non-current assets increased by \$77,432 (or 5%)
- Current liabilities decreased by \$128,160 (or 30%)
- Net position decreased by \$372,327 (or 4%)
- Operating revenues decreased by \$1,568,828 (or 52%)
- Non-operating revenues, net increased by \$204,943 (or 81%)

**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.



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

Management's Discussion and Analysis (continued)

**Financial Analysis of the Corporation**

**Net Position** – The following table summarizes the Corporation's financial position at June 30, 2024, 2023, and 2022 and the percentage change between June 30, 2024, 2023, and 2022:

	2024	2023	2022	% Change	
				2024–2023	2023–2022
Current assets	\$ 7,292,869	\$ 7,870,788	\$ 7,163,284	(7)%	10%
Non-current assets	1,723,508	1,646,076	1,743,494	5	(6)
Total assets	9,016,377	9,516,864	8,906,778	(5)	7
Current liabilities	304,375	432,535	815,026	(30)	(47)
Total unrestricted net position	\$ 8,712,002	\$ 9,084,329	\$ 8,091,752	(4)	12

**Fiscal Year 2024 Activities**

In fiscal year 2024, total assets decreased by \$500,487 or 5%, primarily due to cash used for operations of \$973,097, which was offset by \$376,262 of interest generated by investments during fiscal year 2024. Non-current assets increased by \$77,432 or 5% due to additional purchases of long-term investments.

Current liabilities decreased by \$128,160 or 30%, primarily due to (1) a non-refundable down payment of approximately \$70,000 received in fiscal year 2022, which was recognized into income during 2024, (2) a \$31,500 decrease in unearned compliance fee prepaid during the year compared to fiscal year 2023, and (3) the timing of expenses incurred and payments made to the New York City Economic Development Corporation (NYCEDC) for reimbursement of costs paid on the Corporation's behalf.

As a result of a decrease in the Corporation's operating activities and an increase in non-operating activities, net position decreased by \$372,327 or 4% in fiscal year 2024, as compared to an increase of 12% in fiscal year 2023.

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

Management's Discussion and Analysis (continued)

**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.

**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 2024, 2023, and 2022 and the percentage change between June 30, 2024, 2023, and 2022:

	2024	2023	2022	% Change	
				2024-2023	2023-2022
Operating revenues	\$ 1,474,092	\$ 3,042,920	\$ 3,122,141	(52)%	(3)%
Operating expenses	2,303,474	2,302,455	2,306,142	—	—
Operating (loss) income	(829,382)	740,465	815,999	(212)	(9)
Non-operating revenues (expenses), net	457,055	252,112	(5,577)	81	4,621
Change in net position	(372,327)	992,577	810,422	(138)	22
Beginning net position	9,084,329	8,091,752	7,281,330	12	11
Ending net position	\$ 8,712,002	\$ 9,084,329	\$ 8,091,752	(4)	12

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

**Management's Discussion and Analysis (continued)**

**Fiscal Year 2024 Activities**

In fiscal year 2024, operating revenues decreased by \$1,568,828 or 52%. This is a result of a decrease in project finance fee revenues of \$1,499,389 and a decrease of \$39,999 in application fees. The decrease of fee revenues is due to the generation of six bond transactions in 2024 as compared to thirteen bond transactions in 2023. The reduction in transactions is a direct function of higher interest rates.

Total operating expenses decreased by \$1,019 in fiscal year 2024, remaining relatively unchanged as compared to prior year.

The net non-operating revenues (expenses) category had a total increase of \$204,943 in fiscal year 2024 primarily due to investment income generated as a result of favorable market conditions during fiscal year 2024.

**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.

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.

**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	
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 2,628,565	\$ 1,413,375
Investments <i>(Note 3)</i>	4,646,144	6,454,808
Fees receivable, net of allowance for doubtful accounts of \$14,030 and \$28,755, respectively	18,160	2,605
Total current assets	7,292,869	7,870,788
Non-current assets,		
Investments <i>(Note 3)</i>	1,723,508	1,646,076
Total non-current assets	1,723,508	1,646,076
Total assets	9,016,377	9,516,864
<b>Liabilities and net position</b>		
Current liabilities:		
Accounts payable and accrued expenses	43,000	59,497
Due to New York City Economic Development Corporation	5,700	11,047
Unearned revenue and other liabilities	255,675	361,991
Total current liabilities	304,375	432,535
Net position – unrestricted	\$ 8,712,002	\$ 9,084,329

*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

	<b>Year Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating revenues</b>		
Fee income <i>(Note 2)</i>	<b>\$ 1,474,092</b>	\$ 3,042,920
Total operating revenues	<b>1,474,092</b>	3,042,920
<b>Operating expenses</b>		
Management fees <i>(Note 4)</i>	<b>2,200,000</b>	2,200,000
Public hearing expenses	<b>58,662</b>	55,083
Auditing expenses	<b>43,000</b>	41,500
Bad debt expense	–	3,581
Other expenses	<b>1,812</b>	2,291
Total operating expenses	<b>2,303,474</b>	2,302,455
Operating (loss) income	<b>(829,382)</b>	740,465
<b>Non-operating revenues</b>		
Investment income	<b>457,055</b>	252,112
Total non-operating revenues, net	<b>457,055</b>	252,112
Change in net position	<b>(372,327)</b>	992,577
Unrestricted net position, beginning of year	<b>9,084,329</b>	8,091,752
Unrestricted net position, end of year	<b>\$ 8,712,002</b>	\$ 9,084,329

*See accompanying notes.*

Build NYC Resource Corporation  
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Statements of Cash Flows

	<b>Year Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Financing and other fees	\$ 1,352,221	\$ 3,049,325
Management fees paid	(2,200,000)	(2,200,000)
Audit expenses paid	(37,350)	(40,000)
Public hearing expenses paid	(87,084)	(26,661)
Miscellaneous expenses paid	(884)	(1,879)
Net cash (used in) provided by operating activities	(973,097)	780,785
<b>Cash flows from investing activities</b>		
Investment income	376,262	252,112
Sale of investments	6,450,000	2,945,943
Purchase of investments	(4,637,975)	(6,317,374)
Net cash provided by (used in) investing activities	2,188,287	(3,119,319)
<b>Cash flows from non-capital financing activities</b>		
Special projects	–	(422,470)
Net cash used in non-capital financing activities	–	(422,470)
Net increase (decrease) in cash and cash equivalents	1,215,190	(2,761,004)
Cash and cash equivalents at beginning of year	1,413,375	4,174,379
Cash and cash equivalents at end of year	\$ 2,628,565	\$ 1,413,375
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities</b>		
Operating (loss) income	\$ (829,382)	\$ 740,465
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:		
Provision for bad debt	–	3,581
Changes in operating assets and liabilities:		
Fees receivable	(15,555)	(3,240)
Accounts payable and accrued expenses	(16,497)	19,497
Due to NYC Economic Development Corp.	(5,347)	820
Unearned revenue and other liabilities	(106,316)	19,662
Net cash (used in) provided by operating activities	\$ (973,097)	\$ 780,785
<b>Supplemental disclosures of non-cash activities</b>		
Unrealized gain on investments	\$ 80,793	\$ –

*See accompanying notes.*

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

**Notes to Financial Statements**

June 30, 2024 and 2023

**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 \$3,756,422,078 and \$3,741,564,404 for the years ended June 30, 2024 and 2023, 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.

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

Notes to Financial Statements (continued)

**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; a benefit that 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.



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

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Recently Adopted Accounting Pronouncement**

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary 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 adoption of this statement did not have a significant impact on the Corporation’s financial statements.

**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 Corporation is evaluating the impact this statement will have on its 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.

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

Notes to Financial Statements (continued)

**3. Deposits and Investments**

At year-end, Build NYC's cash and cash equivalent balance held in bank was \$1,405,122, of which \$250,000 was insured by the Federal Depository Insurance Corporation. Of the remaining balance, \$406,645 was invested in money market funds and \$748,477 was uncollateralized.

*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.

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.

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

Notes to Financial Statements (continued)

**3. Deposits and Investments (continued)**

As of June 30, 2024 and 2023, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2024.

	Fair Value		2024	
			Investment Maturities (in Years)	
	2024	2023	Less Than 1	1 to 2
Money Market Funds	\$ 1,630	\$ 414	\$ 1,630	\$ –
Federal Farm Credit Bank	1,207	1,072	–	1,207
Federal Home Loan Bank	1,723	7,029	1,723	–
Federal Home Loan Mortgage Co.	2,803	–	2,287	516
U.S. Treasuries	637	–	637	–
Total	<u>8,000</u>	<u>8,515</u>		
Less: investments classified as cash equivalents	<u>(1,630)</u>	<u>(414)</u>		
Total investments	<u>\$ 6,370</u>	<u>\$ 8,101</u>		

*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, 2024, the Corporation's investments in Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Co. (FHLMC) and U.S. Treasuries were rated AA+ by Standard & Poor's (S&P) and Aaa by Moody's Investor Services, Inc. (Moody's). Money market funds were rated Aaa by Moody's and AAA by Fitch Ratings.

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

Notes to Financial Statements (continued)

**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, 2024 and 2023, including money market funds (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments					
	June 30, 2024		June 30, 2023			
Money Market Funds	\$	1,630	20%	\$	414	4%
FFCB		1,207	15		1,072	13
FHLB		1,723	22		7,029	83
FHLMC		2,803	35		-	-
U.S. Treasuries		637	8		-	-

**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, 2024 and 2023.

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

Notes to Financial Statements (continued)

**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, 2024. The current special project commitment, approval date, total and outstanding commitment balances are as follows as of June 30, 2024:

Project	Approval Date	Total Commitment	Life To-Date Expenses	Current Total De-Obligate	Outstanding Commitment
Industrial Development Loan Fund	9/21/2021	\$ 3,000,000	\$ –	\$ –	\$ 3,000,000
		<u>\$ 3,000,000</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 3,000,000</u>

For the years ended June 30, 2024 and 2023, no expenses have been incurred by the Corporation relating to the above project.

**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 liability 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. As of June 30, 2024, there were no reported pending personal injury claims or litigation against Build NYC.

## II. *Government Auditing Standards* Section

## 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, 2024, 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 September 30, 2024.

### **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*

September 30, 2024