

MINUTES OF THE AUDIT COMMITTEE
OF
BUILD NYC RESOURCE CORPORATION
September 23, 2024

A meeting of the Audit Committee of the Board of Directors (the “Committee”) of Build NYC Resource Corporation (“Build NYC” or the “Corporation”) was held in-person on Tuesday, September 23, 2024.

The following members of the Committee were present in-person at the above indicated meeting of the Committee (the “Meeting”), constituting a quorum:

- Felix Ciampa
- Shanel Thomas

The following members of NYCEDC staff were present:

- Finance: Jeanny Pak, CFO; Spencer Hobson, EVP/Treasurer; Amy Chan, Controller; Leslie Escobar, Deputy Controller; Carol Ann Butler, AVP; Wilson Gao, Senior Accountant; Ina Johnson, Executive Assistant
- Internal Audit (“IA”): Eric Katz, SVP
- Ernst & Young (“EY”): Danielle Hurlburt, Managing Director; Sophie Zhou, Manager
- Compliance Department (“Compliance”): Shin Mitsugi, SVP and the Corporation’s Compliance Officer
- Strategic Investments Group (“SIG”): Brinda Ganguly, EVP; Emily Marcus Falda, the Corporation’s Executive Director; Noah Schumer, AVP

Mr. Ciampa called the meeting to order at 9:23 a.m.

1. Approval of the Minutes of the June 11, 2024 Audit Committee meeting

Mr. Ciampa asked if there were any questions or comments related to the minutes of the June 11, 2024 meeting. There being no questions or comments, Ms. Thomas motioned to approve the minutes. Mr. Ciampa seconded the motion, and the motion was approved.

2. Finance Update

Ms. Chan stated that her team would be presenting the financial highlights from operations for FY24, which would be followed by a presentation of the audit results from EY.

Ms. Escobar presented the Build NYC Income Statement. Operating revenues totaled \$1.5 million, which is a decrease of \$1.5 million from the prior year. The decrease in operating revenue is due to closing of 6 bond transactions in FY24 as compared to 13 bond transactions in FY23. The reduction in transactions is a direct result of higher interest rates. Operating expenses totaled \$2.3 million and remained consistent with prior year. Operating expenses are primarily made up of the management fee to EDC. Non-operating revenues totaled \$0.4 million, which is the investment income generated during the fiscal year. With favorable market conditions, investment income increased about \$0.2 million as compared to last year. As a result, with an operating loss of \$0.8M and investment income of \$0.4 million, net position decreased by \$0.4 million to an ending net position of \$8.7 million at June 30, 2024.

Ms. Escobar explained the components of Build NYC's net position of \$8.7 million. Build NYC total assets amounted to \$9.0 million, a decrease of \$0.5 million, primarily due to cash used during the year for operations of \$0.9 million, which was offset by \$0.4 million of cash interest generated by investments during FY24. Total liabilities were \$0.3 million, a decrease of about \$0.1 million primarily due to a non-refundable down payment of approximately \$70,000 received in FY22. This project is no longer closing and as such, the non-refundable deposit was recognized into income in FY24. Additionally, there was a decrease of approximately \$31K in prepaid annual compliance fees this year as compared to last year. BNYC's net position balance of \$8.7 million is largely in cash and investments. Build NYC's Net Position of \$8.7 million is currently \$0.1 million below the targeted Net Position level established by the Board of four times the annual EDC management fee or \$8.8 million. Management is monitoring this to strategically build the reserve back up. Of the total \$8.0 million of cash equivalents and investments, the majority is held US Agency Securities, with the rest of the funds in money markets and US Treasuries. Build NYC's investments are fully compliant with the investment allocation in the Board approved policy.

Ms. Escobar closed by asking if there were any questions. There were none and Ms. Thomas thanked her for the presentation.

3. EY Update

Ms. Hurlburt introduced EY's audit results presentation and stated that EY expects to be issuing an unmodified opinion on the Build NYC financial statements and schedule of investments and are substantially complete with audit procedures. She stated that the financial statements and statement of investments are expected to be issued by Monday, September 30, 2024. She stated that they are not aware of any instances of fraud to be communicated to the Committee. There were also no material weaknesses or significant deficiencies to report, nor any uncorrected or corrected audit adjustments. Ms. Hurlburt

provided a high-level overview of the areas covered by EY's audit of Build NYC's financial statements. Among those areas were cash and investments and revenues. Ms. Hurlburt defined certain required communications, noting that there were no issues to be highlighted as a result of the audit of the Corporation.

Ms. Hurlburt asked if there were any additional questions. With none, Mr. Ciampa motioned to approve the financial statements and the statement of investments, which was seconded by Ms. Thomas. The financial statements and statement of investments were approved.

4. Approval of Amendment to Audit Committee Charter

Mr. Katz presented an amendment to the Build NYC Committee charter to reduce the number of required annual meetings from three to two and permitting the Committee to convene additional meetings as it deems necessary. Mr. Katz explained that the Committee has historically conducted all required discussions per the Committee charter over the course of the first two meetings each year, with no substantive matters being addressed in the third meeting. In order to (i) have the Committee charter more accurately reflect the procedures followed by the Committee and (ii) make the most efficient use of the time and effort of the members of the Committee, the Committee is requested to recommend that the Board approve an amendment to the Charter. There being no questions or comments, Ms. Thomas motioned to approve the amendment. Mr. Ciampa seconded the motion, and the motion was approved.

5. Session with External Auditors

A private session with EY was not held at this time.

6. Session with Management

A private session with Management was not held at this time.

7. Session with Internal Audit

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

8. Adjournment

There being no further business, the meeting was adjourned at 9:31 a.m.