

Build NYC Resource Corporation

(a component unit of The City of New York)

Financial Statements and Required Supplementary Information

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



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, 2025 and 2024

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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

Opinions

We have audited the accompanying financial statements of the business-type activities of the Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents (collectively referred to as the "basic financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Corporation at June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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.



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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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the 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.



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- 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.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Ernst & Young LLP

September 30, 2025

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

Management's Discussion and Analysis

June 30, 2025 and 2024

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, 2025 and 2024. Please read it in conjunction with the financial statements and accompanying notes which follow this section.

Fiscal Year 2025 Financial Highlights

- Current assets increased by \$155,768 (or 2%)
- Non-current assets increased by \$965,097 (or 56%)
- Current liabilities decreased by \$121,639 (or 40%)
- Net position increased by \$1,242,504 (or 14%)
- Operating revenues increased by \$1,696,178 (or 115%)
- Non-operating revenues, net decreased by \$39,081 (or 9%)

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, 2025, 2024, and 2023 and the percentage change between June 30, 2025, 2024, and 2023:

	2025	2024	2023	% Change	
				2025–2024	2024–2023
Current assets	\$ 7,448,637	\$ 7,292,869	\$ 7,870,788	2%	(7)%
Non-current assets	2,688,605	1,723,508	1,646,076	56	5
Total assets	10,137,242	9,016,377	9,516,864	12	(5)
Current liabilities	182,736	304,375	432,535	(40)	(30)
Total unrestricted net position	\$ 9,954,506	\$ 8,712,002	\$ 9,084,329	14	(4)

Fiscal Year 2025 Activities

In fiscal year 2025, total assets increased by \$1,120,865 or 12%, primarily due to cash provided by operations of \$711,651 and \$286,695 in interest generated by investments during fiscal year 2025. Non-current assets increased by \$965,097 or 56% due to additional purchases of long-term investments.

Current liabilities decreased by \$121,639 or 40%, primarily due to a non-refundable down payment of \$219,000 received in fiscal year 2022, which was recognized into income during fiscal year 2025, partially offset by increases to accounts payable and accrued liabilities due to the timing of payments.

As a result of the Corporation's operating and non-operating activities, net position increased by \$1,242,504 or 14% in fiscal year 2025, as compared to a decrease of 4% in fiscal year 2024.

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, 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.

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.

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

Management's Discussion and Analysis (continued)

The following table summarizes changes in Build NYC's net position for fiscal years 2025, 2024, and 2023 and the percentage change between June 30, 2025, 2024, and 2023:

	2025	2024	2023	% Change	
				2025-2024	2024-2023
Operating revenues	\$ 3,170,270	\$ 1,474,092	\$ 3,042,920	115%	(52)%
Operating expenses	2,345,740	2,303,474	2,302,455	2	—
Operating income (loss)	824,530	(829,382)	740,465	199	(212)
Non-operating revenues, net	417,974	457,055	252,112	(9)	81
Change in net position	1,242,504	(372,327)	992,577	434	(138)
Beginning net position	8,712,002	9,084,329	8,091,752	(4)	12
Ending net position	\$ 9,954,506	\$ 8,712,002	\$ 9,084,329	14	(4)

Fiscal Year 2025 Activities

In fiscal year 2025, operating revenues increased by \$1,696,178 or 115%, directly related to an increase in project finance fee revenues. The project finance fee revenues are calculated as a percentage of the bond transaction value, and the values of the six bond closings in 2025 were higher than the six bond closings in 2024. Notable project financings in fiscal year 2025 include Aero JFK II, LLC, Success Academy Charter Schools and the Nightingale-Bamford School which generated combined closing fees of approximately \$2.1 million.

Total operating expenses increased by \$42,266 in fiscal year 2025 as a result of higher service costs.

The net non-operating revenues category had a total decrease of \$39,081 in fiscal year 2025 primarily due to investment income generated as a result of market conditions and recognition of special project costs during fiscal year 2025.

Build NYC Resource Corporation
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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.

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	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (<i>Note 3</i>)	\$ 2,904,481	\$ 2,628,565
Investments (<i>Note 3</i>)	4,541,656	4,646,144
Fees receivable, net of allowance for doubtful accounts of \$1,850 and \$14,030, respectively	2,500	18,160
Total current assets	7,448,637	7,292,869
Non-current assets		
Investments (<i>Note 3</i>)	2,688,605	1,723,508
Total non-current assets	2,688,605	1,723,508
Total assets	10,137,242	9,016,377
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	78,400	43,000
Due to New York City Economic Development Corporation	7,726	5,700
Unearned revenue and other liabilities	96,610	255,675
Total current liabilities	182,736	304,375
Net position – unrestricted	\$ 9,954,506	\$ 8,712,002

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	
	2025	2024
Operating revenues		
Fee income <i>(Note 2)</i>	\$ 3,170,270	\$ 1,474,092
Total operating revenues	3,170,270	1,474,092
Operating expenses		
Management fees <i>(Note 4)</i>	2,200,000	2,200,000
Public hearing expenses	97,950	58,662
Auditing expenses	45,000	43,000
Other expenses	2,790	1,812
Total operating expenses	2,345,740	2,303,474
Operating income (loss)	824,530	(829,382)
Non-operating revenues (expenses)		
Investment income	424,874	457,055
Special project costs <i>(Note 5)</i>	(6,900)	—
Total non-operating revenues, net	417,974	457,055
Change in net position	1,242,504	(372,327)
Unrestricted net position, beginning of year	8,712,002	9,084,329
Unrestricted net position, end of year	\$ 9,954,506	\$ 8,712,002

See accompanying notes.

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

Statements of Cash Flows

	Year Ended June 30	
	2025	2024
Cash flows from operating activities		
Financing and other fees	\$ 2,989,865	\$ 1,352,221
Management fees paid	(2,200,000)	(2,200,000)
Audit expenses paid	(47,150)	(37,350)
Public hearing expenses paid	(64,550)	(87,084)
Miscellaneous receipts (payments), net	33,486	(884)
Net cash provided by (used in) operating activities	<u>711,651</u>	<u>(973,097)</u>
Cash flows from investing activities		
Investment income	286,695	376,262
Sale of investments	4,675,000	6,450,000
Purchase of investments	(5,397,430)	(4,637,975)
Net cash (used in) provided by investing activities	<u>(435,735)</u>	<u>2,188,287</u>
Net increase in cash and cash equivalents	275,916	1,215,190
Cash and cash equivalents at beginning of year	2,628,565	1,413,375
Cash and cash equivalents at end of year	<u>\$ 2,904,481</u>	<u>\$ 2,628,565</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 824,530	\$ (829,382)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Fees receivable	15,660	(15,555)
Accounts payable and accrued expenses	35,400	(16,497)
Due to NYC Economic Development Corp.	(4,874)	(5,347)
Unearned revenue and other liabilities	(159,065)	(106,316)
Net cash provided by (used in) operating activities	<u>\$ 711,651</u>	<u>\$ (973,097)</u>
Supplemental disclosures of non-cash activities		
Unrealized gain on investments	<u>\$ 138,179</u>	<u>\$ 80,793</u>

See accompanying notes.

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

Notes to Financial Statements

June 30, 2025 and 2024

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 eligible 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 \$4,048 million and \$3,756 million for the years ended June 30, 2025 and 2024, 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.

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 and Upcoming Accounting Pronouncements

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The Corporation adopted this statement as of July 1, 2024 and the adoption did not have a significant impact on the Corporation's financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Corporation is evaluating the impact this statement will have on its financial statements.

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

Notes to Financial Statements (continued)

3. Deposits and Investments

At June 30, 2025, Build NYC's cash and cash equivalent balance held in bank was \$2,163,717. Cash consists of \$1,013,069 in a checking account, of which \$250,000 was insured by the Federal Depository Insurance Corporation and the remaining \$763,069 was uncollateralized. Cash equivalents consist of money market funds amounting to \$1,150,648. To mitigate risk, the Corporation limits its deposits to highly rated institutions. At June 30, 2024, Build NYC's cash and cash equivalent balance held in bank was \$1,405,122.

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 securities, Agency securities and commercial paper, 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, 2025 and 2024, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2025.

			2025	
			Investment Maturities (in Years)	
	Fair Value		Less Than 1	1 to 2
	2025	2024		
Money Market Funds	\$ 1,896	\$ 1,630	\$ 1,896	\$ –
Federal Farm Credit Bank	3,910	1,207	1,221	2,689
Federal Home Loan Bank	–	1,723	–	–
Federal Home Loan Mortgage Co.	521	2,803	521	–
U.S. Treasuries	–	637	–	–
Commercial Paper	2,799	–	2,799	–
Total	9,126	8,000		
Less: investments classified as cash equivalents	(1,896)	(1,630)		
Total investments	\$ 7,230	\$ 6,370		

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, 2025, the Corporation's investments in Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Co. (FHLMC) were rated AA+ by Standard & Poor's (S&P), Aa1 by Moody's Investor Services, Inc. (Moody's) and AA+ by Fitch Ratings. Money market funds were rated Aaa by Moody's and AAA by Fitch Ratings. Commercial Paper were rated P1 by Moody's, A1 and A1+ by Standard & Poor's (S&P) and F1+ 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, including money market funds, as of June 30, 2025 and 2024 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments					
	June 30, 2025			June 30, 2024		
Money Market Funds	\$	1,896	21%	\$	1,630	20%
FFCB		3,910	43		1,207	15
FHLB		—	—		1,723	22
FHLMC		521	5		2,803	35
U.S. Treasuries		—	—		637	8
Commercial Paper		2,799	31		—	—

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, 2025 and 2024.

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 \$3,200,000 with an outstanding obligation of \$3,193,100 at June 30, 2025. The current special project commitment, approval date, total and outstanding commitment balances are as follows as of June 30, 2025:

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
Provision Of Application					
Software Development	11/19/2024	200,000	6,900	—	193,100
		<u>\$ 3,200,000</u>	<u>\$ 6,900</u>	<u>\$ —</u>	<u>\$ 3,193,100</u>

For the years ended June 30, 2025 and 2024, \$6,900 and zero, respectively, have been incurred by the Corporation relating to the above projects. These costs are included in special project costs on the accompanying statements of revenues, expenses and changes in net position.

6. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, as of June 30, 2025, Build NYC has been named a party to one pending personal injury lawsuit, for which there is liability coverage from the project company covering the Corporation and the project company has affirmed its indemnity obligation. This matter is not expected to result in a loss that would have any adverse effect on Build NYC's financial position.

II. *Government Auditing Standards* Section



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**Shape the future
with confidence**

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of the Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements (collectively referred to as the "basic financial statements"), and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic 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 basic 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 basic 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.



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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 basic 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 basic 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, 2025