

MINUTES OF THE AUDIT COMMITTEE
OF
BUILD NYC RESOURCE CORPORATION

September 18, 2017

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 on Monday, September 18, 2017, pursuant to notice from the Deputy Executive Director of the Agency, at the New York City Economic Development Corporation ("NYCEDC"), 110 William Street, Conference Room 5B, New York, New York 10038.

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

- Albert V. De Leon, Chair (attended by phone)
- Kevin Doyle (present in person)

In addition, the following members of NYCEDC staff were present:

- Finance: Kim Vaccari - CFO, Spencer Hobson – EVP/Treasurer, Fred D’Ascoli – Controller, Raafat Osman – Deputy Controller, Christine Robinson – AVP, Carol Ann Butler – AVP
- Internal Audit ("IA"): David Price – SVP
- Compliance Department ("Compliance"): Shin Mitsugi – SVP, Daniel Kane – VP
- Strategic Investment Group ("SIG") Jeffrey Lee – SVP, Anne Shutkin – VP

Also present were representatives from Ernst & Young LLP ("E&Y"):

- Louis Roberts – Engagement Partner and Nicole Rapport – Senior Manager

The Meeting was convened at 9:26 a.m.

1. Approval of the Minutes of the May 9, 2017 Audit Committee meeting

Mr. De Leon asked if there were any questions or comments relating to the minutes of the May 9, 2017 meeting. There being no questions or comments, Mr. Doyle motioned to approve and Mr. De Leon seconded and the motion was approved.

2. Presentation of Financial Statements

Mr. D'Ascoli presented the Build NYC Resource Corporation financial position as of year-end and discussed the financials at a high level including the auditors' opinion. He noted that E&Y would be issuing an unqualified opinion after the completion of the Board Meeting on September 19, 2017. He then moved into the Management's Discussion and Analysis section and the financial statement section of the board book for further discussion.

Mr. D'Ascoli presented an overview of the Statement of Net Position on page 7 of the committee book. The total assets reported were \$11.7 million with \$291,000 liabilities leaving a healthy unrestricted net position of \$11.4 million.

Mr. D'Ascoli discussed the Statement of Revenues, Expenses and Changes in Net Position that tracked the financial performance over the course of the year. The operating revenue generated by Build NYC was \$3.6 million with operating expenses of \$3.4 million with fifteen (15) conduit debt transactions as opposed to twenty-eight (28) conduit debt transactions completed the prior year. Additionally, with non-operating expenses of approximately \$163,000 mainly due to special project costs, Build NYC reported a change in net position of approximately \$17,000.

Mr. D'Ascoli then discussed the Statement of Cash Flows. The cash provided by operations was approximately \$190,000. The amount of cash used from investments was \$1.1 million to cover immediate needs leaving a net decrease in cash of approximately \$940,000.

Lastly, Mr. D'Ascoli provided an overview of the Schedule of Investments highlighting the investment components of Build NYC portfolio. He noted that 78% of the instruments are government securities, 22% are in commercial paper, which is well within what is permitted under the Corporation's Investment Policies Guidelines.

Mr. D'Ascoli mentioned that the Auditors' Report (in accordance with Government Auditing Standards) concluded that there were no findings and no internal control issues noted by the external auditors (E&Y).

3. Ernst & Young Update

Mr. Roberts stated that E&Y's Audit Plan for the Corporation was basically the same as the plan discussed in the New York City Industrial Development Agency ("NYCIDA") Audit Committee meeting and did not need further discussion.

4. Internal Audit Update

Mr. Price directed everyone's attention to Tab 3 of the meeting book. At the May 9, 2017 Build NYC Audit Committee meeting, a vote on the Build NYC Audit Committee Duties and Responsibilities guide was deferred to include the Compliance Group's function. Mr. Price noted that the Compliance Department had been added on page 5 and 7 of the Build NYC Audit Committee Duties and Responsibilities guide. There being no questions or comments, Mr. Doyle motioned to approve and Mr. De Leon seconded and the motion was approved.

Mr. Price also stated that at the May 9, 2017 Build NYC Audit Committee meeting, a vote on the Build NYC Audit Charter was deferred to include the Compliance's group function. Mr. Price noted that the Compliance Department had been added on page 2 of the Build NYC Audit Charter. There being no questions or comments, Mr. Doyle motioned to approve and Mr. De Leon seconded and the motion was approved.

Mr. Price noted that there is no further status update to report in connection with Build NYC projects or future Build NYC deals.

5. Compliance Activity Update

Mr. Mitsugi stated that the Compliance updates for Build NYC were the same as those already discussed in the NYCIDA Audit Committee meeting and did not need further discussion.

6. Session with Management

Session with Management was not required by the Committee.

7. Session with Auditors

Session with Auditors was not required by the Committee

6. Adjournment

There being no further business, the Meeting was adjourned at 9:33 a.m.