HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Financial Statements and Supplementary Information
(Together with Independent Auditors' Report)

October 31, 2022 and 2021

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

October 31, 2022 and 2021

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Mayer Hoffman McCann CPAs
The New York Practice of Mayer Hoffman McCann P.C., An Independent CPA Firm
685 Third Avenue ■ New York, NY 10017
212.503.8800 ■ www.mhmcpa.com

Independent Auditors' Report

To the Members of
Hugh L. Carey Battery Park City Authority:

Report on the Financial Statements

Opinion

We have audited the financial statements of Hugh L. Carey Battery Park City Authority (the "Organization"), a component unit of the State of New York, as of and for the year ended October 31, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of October 31, 2022, and the related changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

The financial statements of the Organization as of and for the year ended October 31, 2021, were audited by another auditor whose report dated January 31, 2022, expressed an unmodified opinion on those statements. As discussed in Note 3(n) to the financial statements, the Organization has adjusted its October 31, 2021 financial statements to retrospectively apply the change in accounting required by Governmental Accounting Standards Board Statement No. 87, *Leases*. The other auditors reported on the financial statements before the retrospective adjustment.

As part of our audit of the October 31, 2022 financial statements, we also audited the adjustments to the October 31, 2021 financial statements to retrospectively apply the change in accounting as described in Note 3(n). In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Organization's October 31, 2021 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the October 31, 2021 financial statements as a whole.

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 from 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 Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Organization'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 Organization'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21, the schedule of the Organization's proportionate share of the net pension liability on page 65, the schedule of employer contributions on page 66, and the schedule of changes in total OPEB liability and related ratios on page 67, be presented to supplement the basic financial statements. Such information, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information as of and for the year ended October 31, 2022, shown on pages 68-69, 72, and 74-75, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information as of and for the year ended October 31, 2021, shown on pages 70-71, 73, and 76-77, was subjected to the auditing procedures in the October 31, 2021 audit of the basic financial statements by another auditor whose report on such information stated, based on their audit, it was fairly stated in all material respects in relation to the October 31, 2021 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 31, 2023 on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

Mayer Hoffman McCann CPAs

New York, NY
January 31, 2023

Overview

The following is an overview of the financial activities of Hugh L. Carey Battery Park City Authority (the "Authority") and the Battery Park City Parks Conservancy (the "Conservancy"), a blended component unit of the Authority, collectively referred to as the "Organization," for the fiscal years ended October 31, 2022 and 2021. The basic financial statements, which include the statements of net position (deficit), the statements of revenues, expenses, and changes in net position (deficit), the statements of cash flows, and the notes to the financial statements, provide information about the Organization in accordance with accounting principles generally accepted in the United States of America. All transactions between the Authority and Conservancy have been eliminated. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Comparison of 2022 to 2021 and 2021 to 2020

Financial Highlights – 2022

- The fiscal year ended October 31, 2022 yielded a total of $396.0 million in operating revenues, representing a decrease of $7.7 million or 1.9% over the prior fiscal year. Payments in lieu of taxes ("PILOT") revenue totaling $270.9 million (68% of the Authority's operating revenues for the fiscal year ended October 31, 2022) decreased $12.5 million or 4.4% compared to the fiscal year ended October 31, 2021. Base rent decreased $3.3 million or 6.8% to $45.3 million for the fiscal year ended October 31, 2022. Lease interest and other operating revenues increased $8.1 million or 11.4% to $79.8 million for the fiscal year ended October 31, 2022. Total operating expenses decreased $1.4 million or 2.1% to $67.7 million for the fiscal year ended October 31, 2022.

- A payment of $178.4 million was made in June 2022 towards the provision for the transfer to the City of New York (the "City") for the fiscal year ended October 31, 2021. A $170.4 million provision was recorded representing the PILOT-related portion of fiscal year 2022 excess revenues charged to nonoperating expenses for the fiscal year ended October 31, 2022 (see note 14). This was a decrease of $8.0 million over the amount recorded for the fiscal year ended October 31, 2021. Generally, the Authority's net position decreases with increases in the amount of excess revenues provided to the City, which has an adverse effect on the Authority's net position.

- A payment of $2.0 million was made in October 2022 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2021. As of October 31, 2022, pursuant to the 2010 Agreement (see note 14), the Authority has fulfilled its obligation. The excess will then be accumulated in accordance with the Settlement Agreement.

- As of October 31, 2022, $45.9 million remained in the Project Cost funds to be used for certain park, street, other infrastructure improvements, and other capital expenditures (see note 8), as compared to $69.3 million as of October 31, 2021.

- During the year ended October 31, 2022, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases* ("GASB 87"), which changed the accounting and financial reporting for leases.

The Authority is required to restate its net position balance to the earliest year of implementation. Accordingly, the Authority restated the November 1, 2020 net position balance to include the lessor/lessee assets, lessee liabilities and lessor deferred inflows of resources as required by GASB (see notes 3(n), 7 and 15c).

Financial Highlights – 2021

- The fiscal year ended October 31, 2021 yielded a total of $403.7 million in operating revenues, representing an increase of $55.3 million or 15.9% over the prior fiscal year. PILOT revenue totaling $283.4 million (70% of the Authority's operating revenues for the fiscal year ended October 31, 2021) increased $12.4 million or 4.6% compared to the fiscal year ended October 31, 2020. Base rent decreased $14.5 million or 23.0% to $48.6 million for the fiscal year ended October 31, 2021. Lease interest and other operating revenues increased $58.3 million or 436.5% to $71.6 million for the fiscal year ended October 31, 2021. The base rent and lease interest and other revenue variances were due to the adoption of GASB 87 and corresponding October 31, 2021 restatement. Total operating expenses increased $12.2 million or 21.4% to $69.1 million for the fiscal year ended October 31, 2021.

- A payment of $185.0 million was made in June 2021 towards the provision for the transfer to the City for the fiscal year ended October 31, 2020. A $178.4 million provision was recorded representing the PILOT-related portion of fiscal year 2021 excess revenues charged to nonoperating expenses for the fiscal year ended October 31, 2021. This was a decrease of $6.6 million over the amount recorded for the fiscal year ended October 31, 2020. Generally, the Authority's net position decreases with increases in the amount of excess revenues provided to the City, which has an adverse effect on the Authority's net position.

- A payment of $44.7 million was made in October 2021 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2020. As of October 31, 2021, pursuant to the 2010 Agreement, the Authority recorded an additional provision for the transfer of $2.0 million to the City for the fiscal year ended October 31, 2021, a decrease of $42.7 million under the amount recorded for the fiscal year ended October 31, 2020. The $2.0 million transfer satisfies the Authority's obligation pursuant to the 2010 Agreement. The excess will then be accumulated in accordance with the Settlement Agreement.

- As of October 31, 2021, $69.3 million remained in the Project Cost funds to be used for certain park, street, other infrastructure improvements, and other capital expenditures, as compared to $92.7 million as of October 31, 2020.

Summary Statement of Net Position (Deficit)

The summary statement of net position (deficit) presents the financial position of the Organization. The net position (deficit) is the difference between total assets plus total deferred outflows of resources and total liabilities plus the deferred inflows of resources. A summarized comparison of the Organization's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (deficit) at October 31, 2022, 2021 and 2020 follows:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2022 and 2021 (Unaudited)

		October 31			2022 vs	2021 vs
		2022	2021 (Restated)	2020	2021	2020
Assets:						
Bank deposits, investments and rents and other receivables	$	23,021,868	17,216,845	20,592,572	5,805,023	(3,375,727)
Bond resolution restricted assets (current and noncurrent)		364,934,701	389,735,861	413,763,670	(24,801,160)	(24,027,809)
Battery Park City Project assets, net		556,481,932	545,657,338	529,934,997	10,824,594	15,722,341
Lease and accrued interest receivables		1,767,919,612	1,705,029,864	-	62,889,748	1,705,029,864
Other current and noncurrent assets		205,990,660	143,019,976	125,642,202	62,970,684	17,377,774
Total assets		2,918,348,773	2,800,659,884	1,089,933,441	117,688,889	1,710,726,443
Deferred Outflows of Resources:						
Deferred pension outflows		5,922,029	7,360,968	5,982,932	(1,438,939)	1,378,036
Deferred OPEB outflows		5,928,687	6,703,894	3,229,663	(775,207)	3,474,231
Accumulated change in fair value of interest rate swaps		-	4,286,718	16,159,650	(4,286,718)	(11,872,932)
Unamortized loss on extinguishment of bonds		11,934,609	13,233,329	14,532,049	(1,298,720)	(1,298,720)
Deferred costs of refunding, less accumulated amortization		59,937,122	66,136,413	72,335,703	(6,199,291)	(6,199,290)
Total deferred outflows of resources		83,722,447	97,721,322	112,239,997	(13,998,875)	(14,518,675)
Total assets and deferred outflows of resources	$	3,002,071,220	2,898,381,206	1,202,173,438	103,690,014	1,696,207,768
Liabilities:						
Current liabilities	$	273,031,235	300,383,399	347,304,250	(27,352,164)	(46,920,851)
Long-term liabilities		1,056,444,378	1,093,936,881	1,327,006,549	(37,492,503)	(233,069,668)
Total liabilities		1,329,475,613	1,394,320,280	1,674,310,799	(64,844,667)	(279,990,519)
Deferred Inflows of Resources:						
Deferred lease inflows		1,858,644,620	1,844,074,040	-	14,570,580	1,844,074,040
Deferred pension inflows		9,519,402	9,078,009	393,925	441,393	8,684,084
Deferred OPEB inflows		6,820,080	5,987,345	7,077,953	832,735	(1,090,608)
Accumlated change in fair value of interest rate swaps		30,312,376	-	-	30,312,376	-
Total deferred inflows of resources		1,905,296,478	1,859,139,394	7,471,878	46,157,084	1,851,667,516
Net Position (Deficit):						
Net investment in capital assets		37,041,385	28,703,435	15,270,063	8,337,950	13,433,372
Restricted		140,256,664	94,188,521	53,258,828	46,068,143	40,929,693
Unrestricted		(409,998,920)	(477,970,424)	(548,138,130)	67,971,504	70,167,706
Total net deficit		(232,700,871)	(355,078,468)	(479,609,239)	122,377,597	124,530,771
Total liabilities, deferred inflows of resources and net position (deficit)	$	3,002,071,220	2,898,381,206	1,202,173,438	103,690,014	1,696,207,768

Assets and Deferred Outflows of Resources

2022 vs. 2021

At October 31, 2022, the Organization maintained total assets and deferred outflows of resources of $3.0 billion, $103.7 million higher than the $2.9 billion at October 31, 2021, primarily due to increases in the lease and accrued interest receivables, as well as the positive change in the mark to market value of the interest rate swaps.

2021 vs. 2020

At October 31, 2021, the Organization maintained total assets and deferred outflows of resources of $2.90 billion, $1.70 billion million higher than the $1.20 billion at October 31, 2020, due to the implementation of GASB 87.

Bank Deposits, Investments, Rents and Other Receivables

2022 vs. 2021

Bank deposits, investments, and rents and other receivables held at October 31, 2022 increased $5.8 million over the same period last year. Bank deposits and investments increased by $2.3 million and rents and other receivables increased by $3.5 million. The increase in bank deposits and investments primarily relates to more unpledged revenues received in the current fiscal year compared to the prior year. Rents and other receivables increased by $8.5 million, which was offset by an increase of $5.0 million in the allowance for uncollectible receivables.

2021 vs. 2020

Bank deposits, investments, and rents and other receivables held at October 31, 2021 decreased $3.4 million over the same period last year. Bank deposits and investments decreased by $2.4 million and rents and other receivables decreased by $1.0 million. The decrease in bank deposits and investments primarily relates to less unpledged revenues received in the current fiscal year compared to the prior year. Rents and other receivables increased by $8.2 million, which was offset by an increase of $9.2 million in the allowance for uncollectible receivables.

Bond Resolution Restricted Assets

2022 vs. 2021

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions, and the 2009, 2013 and 2019 Revenue Bond Resolutions. Such assets of $364.9 million at October 31, 2022 were $24.8 million lower than the fair value of assets held at October 31, 2021 of $389.7 million (see note 8).

Funds held in the Pledged Revenue Fund ("PRF") of $203.8 million at October 31, 2022 were $7.7 million lower than funds held at October 31, 2021.

Funds held in the Debt Service Funds of $72.2 million at October 31, 2022 were $33.8 million higher than funds at October 31, 2021.

Funds held in the Project Operating Fund of $10.2 million were $82 thousand higher at October 31, 2022 compared to 2021.

Funds held in the Residual Fund for payment to the City of $260 thousand at October 31, 2022 were $213 thousand higher than at October 31, 2021.

Funds held under the Resolutions for project infrastructure and certain other asset costs were $45.9 million as of October 31, 2022, $23.3 million lower than funds held at October 31, 2021.

2021 vs. 2020

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions, and the 2009, 2013 and 2019 Revenue Bond Resolutions. Such assets of $389.7 million at October 31, 2021 were $24.0 million lower than the fair value of assets held at October 31, 2020 of $413.8 million.

Funds held in the PRF of $211.6 million at October 31, 2021 were $2.9 million higher than funds held at October 31, 2020.

Funds held in the Debt Service Funds of $38.3 million at October 31, 2021 were $29.5 million lower than funds at October 31, 2020.

Funds held in the Project Operating Fund of $10.2 million were $2.0 million higher at October 31, 2021 compared to 2020.

Funds held in the Residual Fund for payment to the City of $47 thousand at October 31, 2021 were $1.0 million lower than at October 31, 2020.

Funds held under the Resolutions for project infrastructure and certain other asset costs were $69.3 million as of October 31, 2021, $23.4 million lower than funds held at October 31, 2020.

Lease and Accrued Interest Receivables

2022 vs. 2021

At October 31, 2022, lease receivables, including accrued interest, were recognized in accordance with GASB 87. Such assets of $1.77 billion at October 31, 2022 were $62.9 higher than the value of assets held at October 31, 2021 of $1.71 billion (see note 15c).

2021 vs. 2020

Lease receivables of $1.71 billion higher than the value of assets held at October 31, 2020, due to the restatement of fiscal year 2021 with the adoption of GASB 87.

Project Assets

At October 31, 2022, the Authority's investment in project assets, net of accumulated depreciation, was $556.5 million, an increase of $10.8 million from October 31, 2021. The Battery Park City project ("Project") consists of approximately 92 acres of landfill created, owned, and operated by the Authority.

The Project's development plan includes approximately 36 acres of parkland and open spaces and provides for the construction, by private developers, of approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, museums, three public schools, a public library, and approximately 8,600 residential units. The Authority's Project assets include land, site improvements, and a residential building constructed by the Authority on Site 22. Additionally, condominium units owned by the Authority on Sites 1, 3, 16/17, and a community center on Sites 23 and 24, and related infrastructure improvements are included in project assets. The balances at October 31, 2022, 2021 and 2020 were as follows:

		October 31			2022 vs	2021 vs
		2022	2021	2020	2021	2020
Land	$	83,015,653	83,015,653	83,015,653	-	-
Site improvements		521,691,002	501,769,583	478,798,516	19,921,419	22,971,067
Residential building and condominium units		146,890,692	145,316,216	142,205,238	1,574,476	3,110,978
		751,597,347	730,101,452	704,019,407	21,495,895	26,082,045
Less: accumulated depreciation		(195,115,415)	(184,444,114)	(174,084,410)	(10,671,301)	(10,359,704)
Total Battery Park City Project assets	$	556,481,932	545,657,338	529,934,997	10,824,594	15,722,341

2022 vs. 2021

For the year ended October 31, 2022, the increase to site improvements of $19.9 million relates to the Authority's resiliency projects. Additionally, there were improvements at Site 23/24 Community Center, restoration of piles, Rockefeller Park playground, and other minor capital improvements (see note 3(c)).

2021 vs. 2020

For the year ended October 31, 2021, the increase to site improvements of $23.0 million relates to the Authority's resiliency projects. Additionally, there were improvements at Site 23/24 Community Center, restoration of piles, Rockefeller Park playground, and other minor capital improvements.

Other Current and Noncurrent Assets

Other current and noncurrent assets at October 31, 2022, 2021 and 2020 were as follows:

	October 31				
	2022	2021 (Restated)	2020	2022 vs 2021	2021 vs 2020
Residential lease required funds	$ 28,735,403	29,780,125	29,066,447	(1,044,722)	713,678
Corporate-designated, escrowed and OPEB funds	125,946,839	93,768,758	89,346,885	32,178,081	4,421,873
Fair value of interest rate swaps	30,312,376	-	-	30,312,376	-
Accrued pension asset	2,672,048	-	-	2,672,048	-
Other assets	18,323,994	19,471,093	7,228,870	(1,147,099)	12,242,223
Total other current and noncurrent assets	$ 205,990,660	143,019,976	125,642,202	62,970,684	17,377,774

2022 vs. 2021

Total other current and noncurrent assets increased $63.0 million from $143.0 million at October 31, 2021 to $206.0 million at October 31, 2022. Residential lease required funds, which include security deposits held for condominium buildings, decreased by $1.0 million. Overall, corporate-designated, escrowed and OPEB funds increased $32.2 million from October 31, 2021. The fair value of interest rate swaps, which continue in effect and continue as an effective hedge, had a positive fair value of $30.3 million at October 31, 2022. Accrued pension asset of $2.6 million at October 31, 2022 represents the Authority's portion of the funded status from the New York State pension plan. Other assets decreased $1.2 million from October 31, 2021.

2021 vs. 2020

Total other current and noncurrent assets increased $17.4 million from $125.6 million at October 31, 2020 to $143.0 million at October 31, 2021, primarily due to the implementation of GASB 87 and the addition of lessee right-of-use assets. Residential lease required funds, which include security deposits held for condominium buildings, increased by $714 thousand. Overall, corporate-designated, escrowed and OPEB funds increased $4.4 million from October 31, 2020.

Deferred Outflows of Resources

Deferred outflows of resources at October 31, 2022, 2021 and 2020 were as follows:

	October 31			2022 vs	2021 vs
	2022	2021	2020	2021	2020
Deferred Outflows of Resources:					
Deferred pension outflows	$ 5,922,029	7,360,968	5,982,932	(1,438,939)	1,378,036
Deferred OPEB outflows	5,928,687	6,703,894	3,229,663	(775,207)	3,474,231
Accumulated change in fair value of interest rate swaps	-	4,286,718	16,159,650	(4,286,718)	(11,872,932)
Unamortized loss on extinguishment of bonds	11,934,609	13,233,329	14,532,049	(1,298,720)	(1,298,720)
Deferred costs of refunding, less accumulated amortization	59,937,122	66,136,413	72,335,703	(6,199,291)	(6,199,290)
Total deferred outflows of Resources	$ 83,722,447	97,721,322	112,239,997	(13,998,875)	(14,518,675)

2022 vs. 2021

Deferred pension outflows of $5.9 million at October 31, 2022 represents the Authority's portion of the deferred pension outflows from the New York State pension plan.

Deferred OPEB outflows of $5.9 million at October 31, 2022 represents the Authority's deferred OPEB outflows resulting from GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75").

The unamortized loss on extinguishment of bonds decreased by $1.3 million from October 31, 2021 to October 31, 2022. The decrease is a result of the amortization during the current fiscal year.

The deferred costs of refunding decreased by $6.2 million from October 31, 2021 to October 31, 2022. The decrease is a result of the amortization during the current fiscal year.

2021 vs. 2020

Deferred pension outflows of $7.4 million at October 31, 2021 represents the Authority's portion of the deferred pension outflows from the New York State pension plan.

Deferred OPEB outflows of $6.7 million at October 31, 2021 represents the Authority's deferred OPEB outflows resulting from GASB 75.

The accumulated change in fair value of interest rate swaps, which continue in effect and continue as an effective hedge, had a negative fair value of $16.2 million at October 31, 2020.

At October 31, 2021, the interest rate swaps had a negative fair value of $4.3 million. The change in value is primarily due to changes in the fair value of the swaps liability, which decreased in value due to higher expected future floating interest rates as valued on October 31, 2021, whereby swap rates trended higher for tenors equivalent to the Authority's swaps' remaining tenors at the valuation date relative to the at-the-market rate of the Authority's swaps at August 6, 2019. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statements of net position (deficit).

The unamortized loss on extinguishment of bonds decreased by $1.3 million from October 31, 2020 to October 31, 2021. The decrease is a result of the amortization during the current fiscal year.

The deferred costs of refunding decreased by $6.2 million from October 31, 2020 to October 31, 2021. The decrease is a result of the amortization during the current fiscal year.

Liabilities

Total liabilities at October 31, 2022, 2021 and 2020 were as follows:

	October 31			2022 vs 2021	2021 vs 2020
	2022	2021 (Restated)	2020		
Current liabilities:					
Accrued interest on bonds	$ 11,012,459	11,540,436	12,203,688	(527,977)	(663,252)
Accounts payable and other liabilities	5,501,071	10,384,608	6,277,608	(4,883,537)	4,107,000
Accrued pension payable	-	30,221	7,796,174	(30,221)	(7,765,953)
Lease liability and accrued interest payable	1,405,299	1,317,521	-	87,778	1,317,521
Due to the City of New York	170,428,646	178,407,943	185,036,280	(7,979,297)	(6,628,337)
Due to the City of New York 2010 Agreement	-	1,968,068	44,722,646	(1,968,068)	(42,754,578)
Due to the Port Authority of NY & NJ	869,381	869,381	869,381	-	-
Unearned revenue	51,029,641	63,969,666	60,608,735	(12,940,025)	3,360,931
Security and other deposits	4,738	4,738	4,738	-	-
2013 Revenue Bonds	28,380,000	27,015,000	25,735,000	1,365,000	1,280,000
2019 Revenue Bonds	4,400,000	4,235,000	4,050,000	165,000	185,000
Bond resolution fund payables	-	640,817	-	(640,817)	640,817
Total current liabilities	273,031,235	300,383,399	347,304,250	(27,352,164)	(46,920,851)
Noncurrent liabilities:					
Unearned revenue	25,376,389	15,293,948	212,853,972	10,082,441	(197,560,024)
Security and other deposits	29,457,716	29,434,255	29,406,518	23,461	27,737
Lease liability	10,731,332	12,003,788	-	(1,272,456)	12,003,788
OPEB	47,782,000	45,492,997	38,363,000	2,289,003	7,129,997
Fair value of interest rate swaps	-	4,286,718	16,159,650	(4,286,718)	(11,872,932)
Imputed borrowing	59,937,122	66,136,413	72,335,703	(6,199,291)	(6,199,290)
Bonds outstanding:					
2013 Revenue Bonds	176,385,045	207,596,716	237,443,388	(31,211,671)	(29,846,672)
2019 Revenue Bonds	706,774,774	713,692,046	720,444,318	(6,917,272)	(6,752,272)
Total noncurrent liabilities	1,056,444,378	1,093,936,881	1,327,006,549	(37,492,503)	(233,069,668)
Total liabilities	$ 1,329,475,613	1,394,320,280	1,674,310,799	(64,844,667)	(279,990,519)

2022 vs. 2021

The Organization's total liabilities decreased $64.8 million from $1.39 billion at October 31, 2021 to $1.33 billion at October 31, 2022.

Total liabilities comprise amounts due to the City and the Port Authority of New York & New Jersey, accrued interest on bonds, unearned revenue, security and other deposits, OPEB, outstanding bonds, fair value of interest rate swaps, imputed borrowing and accounts payable, accrued expenses, accrued pension payable and lease liability and accrued interest payable.

The $64.8 million decrease in total liabilities is due to:

- a $528 thousand decrease in accrued interest payable on bonds from $11.5 million at October 31, 2021 to $11.0 million at October 31, 2022.

- a $4.9 million decrease in accounts payable and other liabilities from $10.4 million at October 31, 2021 to $5.5 million at October 31, 2022.

- a $1.2 million decrease in lease and accrued interest liability from $13.3 million at October 31, 2021 to $12.1 million at October 31, 2022.
- a $170.4 million liability was recorded as of October 31, 2022, which includes fiscal 2022 PILOT-related excess revenues to be transferred to the City, a decrease of $8.0 million from the prior fiscal year provision of $178.4 million.
- a payment of $2.0 million was made in October 2022 (see note 14), the Authority has fulfilled its obligation. All additional excess funds will then be accumulated in accordance with the Settlement Agreement.
- a $2.9 million decrease to $76.4 million in total unearned revenue from $79.3 million at October 31, 2021.
- a $23.5 thousand increase in total security and other deposits to $29.5 million at October 31, 2022. Security deposits are held for condominium sites and not rental sites.
- a net increase of $2.3 million in OPEB liability to $47.8 million at October 31, 2022 from $45.5 million at October 31, 2021, primarily due to the change in the discount rate from the actuarial assumptions compared to the prior valuation report.
- the interest rate swap agreements, which continue in effect and continue as an effective hedge, had a negative fair value of $4.3 million at October 31, 2021. At October 31, 2022, the interest rate swaps had a positive fair value of $30.3 million due to the rise in swap rates. The positive fair value has been included as an asset and a deferred inflow of resources in the Authority's statements of net position (deficit).
- a $6.2 million decrease in the imputed borrowing represents the revised fair value of the bifurcated swaps at the date of refunding. The $80.0 million is being amortized using the straight-line method over the remaining life of the original 2003 bonds (see note 10).
- a $29.8 million decrease in 2013 Revenue Bonds outstanding due to a principal payment of $27.0 million and bond premium amortization of $2.8 million (see note 17).
- a $6.8 million decrease in 2019 Revenue Bonds outstanding due to a principal payment of $4.2 million and bond premium amortization of $2.6 million (see note 17).

2021 vs. 2020

The Organization's total liabilities decreased $280.0 million from $1.67 billion at October 31, 2020 to $1.39 billion at October 31, 2021.

Total liabilities comprise amounts due to the City and the Port Authority of New York & New Jersey, accrued interest on bonds, unearned revenue, security and other deposits, OPEB, outstanding bonds, fair value of interest rate swaps, imputed borrowing and accounts payable, accrued expenses, accrued pension payable and lease liability and accrued interest payable.

The $280.0 million decrease in total liabilities is due to:

- a $663 thousand decrease in accrued interest payable on bonds from $12.2 million at October 31, 2020 to $11.5 million at October 31, 2021.

- a $4.1 million increase in accounts payable and other liabilities from $6.3 million at October 31, 2020 to $10.4 million at October 31, 2021.

- a $7.8 million decrease in accrued pension payable relates to the Authority's liability portion of the New York State pension plan.
- a lease and accrued interest liability of $13.3 million was recorded at October 31, 2021 as part of the implementation of GASB 87.
- a $178.4 million liability was recorded as of October 31, 2021, which includes fiscal 2021 PILOT-related excess revenues to be transferred to the City, a decrease of $6.6 million from the prior fiscal year provision of $185.0 million.
- a $2.0 million liability was recorded as of October 31, 2021, as an expected payment to the City under the provisions of the 2010 Agreement. A payment of $44.7 million was made in October 2021 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2020.
- a $194.2 million decrease to $79.3 million in total unearned revenue from $273.5 million at October 31, 2021, due to the reclassification to deferred inflows of resources as part of the GASB 87 implementation.
- a $28.0 thousand increase in total security and other deposits to $29.4 million at October 31, 2021. Security deposits are held for condominium sites and not rental sites.
- a net increase of $7.1 million in OPEB liability to $45.5 million at October 31, 2021 from $38.4 million at October 31, 2020, primarily due to the change in the discount rate from the actuarial assumptions compared to the prior valuation report.
- the interest rate swap agreements, which continue in effect and continue as an effective hedge, had a negative fair value of $16.2 million at October 31, 2020. At October 31, 2021, the interest rate swaps had a negative fair value of $4.3 million. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statements of net position (deficit).
- a $6.2 million decrease in the imputed borrowing represents the revised fair value of the bifurcated swaps at the date of refunding. The $80.0 million is being amortized using the straight-line method over the remaining life of the original 2003 bonds.
- a $28.6 million decrease in 2013 Revenue Bonds outstanding due to a principal payment of $25.7 million and bond premium amortization of $2.8 million.
- a $6.6 million decrease in 2019 Revenue Bonds outstanding due to a principal payment of $4.1 million and bond premium amortization of $2.5 million.

Deferred Inflows of Resources

		October 31			2022 vs	2021 vs
		2022	2021 (Restated)	2020	2021	2020
Deferred Inflows of Resources:						
Deferred lease inflows	$	1,858,644,620	1,844,074,040	-	14,570,580	1,844,074,040
Deferred pension inflows		9,519,402	9,078,009	393,925	441,393	8,684,084
Deferred OPEB inflows		6,820,080	5,987,345	7,077,953	832,735	(1,090,608)
Accumulated change in fair value of interest rate swaps		30,312,376	-	-	30,312,376	-
Total deferred inflows of resources	$	1,905,296,478	1,859,139,394	7,471,878	46,157,084	1,851,667,516

2022 vs. 2021

Deferred lease inflows of $1.86 billion at October 31, 2022 represents the Authority's deferred lease inflows resulting from GASB 87 (see note 7).

Deferred pension inflows of $9.5 million at October 31, 2022 represents the Authority's portion of the deferred pension inflows from the New York State pension plan (see note 18).

Deferred OPEB inflows of $6.8 million at October 31, 2022 represents the Authority's deferred OPEB outflows resulting from GASB 75 (see note 19).

The accumulated change in fair value of interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of $30.3 million at October 31, 2022. At October 31, 2021, the interest rate swaps had a negative fair value of $4.3 million. The change in value is primarily due an increase in interest rates. The positive fair value has been included as an asset and a deferred inflow of resources in the Authority's statement of net position (deficit).

2021 vs. 2020

Deferred lease inflows of $1.84 billion at October 31, 2021 represents the Authority's deferred lease inflows resulting from GASB 87.

Deferred pension inflows of $9.1 million at October 31, 2021 represents the Authority's portion of the deferred pension inflows from the New York State pension plan.

Deferred OPEB inflows of $6.0 million at October 31, 2021 represents the Authority's deferred OPEB outflows resulting from GASB 75.

Net Position (Deficit)

		October 31			2022 vs	2021 vs
		2022	**2021 (Restated)**	**2020**	**2021**	**2020**
Net Position (deficit):						
Net investment in capital assets	$	37,041,385	28,703,435	15,270,063	8,337,950	13,433,372
Restricted		140,256,664	94,188,521	53,258,828	46,068,143	40,929,693
Unrestricted		(409,998,920)	(477,970,424)	(548,138,130)	67,971,504	70,167,706
Total net position (deficit)	$	(232,700,871)	(355,078,468)	(479,609,239)	122,377,597	124,530,771

2022 vs. 2021

The change in total net position (deficit) represents a positive change of $122.4 million in the deficit position from $355.1 million at October 31, 2021 to $232.7 million at October 31, 2022.

Net investment in capital assets was a surplus of $37.0 million and $28.7 million at October 31, 2022 and 2021, respectively. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

The Organization's $140.3 million of restricted net position at October 31, 2022 represents resources that are subject to various external restrictions. These assets are generally restricted under bond resolutions and other agreements.

The remaining balance is classified as an unrestricted deficit totaling $410.0 million at October 31, 2022 resulting from the cumulative net excess revenues, which are transferred to the City annually (see note 14).

2021 vs. 2020

The change in total net position (deficit) represents a positive change of $124.5 million in the deficit position from $479.6 million at October 31, 2020 to $355.1 million at October 31, 2021.

Net investment in capital assets was a surplus of $28.7 million and $15.3 million at October 31, 2021 and 2020, respectively. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities. The Organization's $94.2 million of restricted net position at October 31, 2021 represents resources that are subject to various external restrictions. These assets are generally restricted under bond resolutions and other agreements.

The remaining balance is classified as an unrestricted deficit totaling $478.0 million at October 31, 2021 resulting from the cumulative net excess revenues, which are transferred to the City annually.

Summary Schedule of Revenues, Expenses, and Changes in Net Position (Deficit)

Below is a summary of the Organization's revenues, expenses, and changes in net position (deficit) for the fiscal years ended October 31, 2022, 2021 and 2020:

	October 31 2022	October 31 2021 (Restated)	October 31 2020	2022 vs 2021	2021 vs 2020
Operating revenues:					
Revenues from ground leases:					
Base rent	$ 45,327,413	48,611,386	63,116,514	(3,283,973)	(14,505,128)
Supplemental rent	1,127	-	880,724	1,127	(880,724)
Payments in lieu of real estate taxes	270,918,014	283,446,304	271,007,680	(12,528,290)	12,438,624
Lease interest and other revenue	79,774,131	71,625,730	13,351,831	8,148,401	58,273,899
Total operating revenues	396,020,685	403,683,420	348,356,749	(7,662,735)	55,326,671
Operating expenses:					
Wages and related benefits	16,386,257	16,470,652	18,485,029	(84,395)	(2,014,377)
OPEB	5,043,914	3,597,470	2,609,378	1,446,444	988,092
Other operating and administrative expenses	32,175,076	36,719,331	24,973,003	(4,544,255)	11,746,328
Depreciation and amortization	12,850,418	12,305,982	10,867,313	544,436	1,438,669
Total operating expenses	66,455,665	69,093,435	56,934,723	(2,637,770)	12,158,712
Operating income	329,565,020	334,589,985	291,422,026	(5,024,965)	43,167,959
Nonoperating revenues (expenses):					
Investment and other income (loss)	(6,578,293)	(897,122)	9,595,499	(5,681,171)	(10,492,621)
Other revenue	429,088	3,722,868	-	(3,293,780)	3,722,868
Loss on project assets	-	-	(760,462)	-	760,462
Interest expense, net	(30,198,084)	(30,953,634)	(33,201,321)	755,550	2,247,687
Lease interest expense	(414,783)	(339,432)		(75,351)	(339,432)
Bond issuance costs	-	-	(12,344)	-	12,344
Provision for transfer to the City of New York	(170,425,351)	(178,404,727)	(185,033,064)	7,979,376	6,628,337
Provision for transfer to the City of New York - 2010 Agreement	-	(1,968,068)	(44,722,646)	1,968,068	42,754,578
Provision for transfer to NYC - West Thames St. Pedestrian Bridge	-	(1,219,099)	(1,103,320)	1,219,099	(115,779)
Total nonoperating expenses	(207,187,423)	(210,059,214)	(255,237,658)	2,871,791	45,178,444
Change in net position (deficit)	122,377,597	124,530,771	36,184,368	(2,153,174)	88,346,403
Net deficit, beginning of year	(355,078,468)	(479,609,239)	(515,793,607)	124,530,771	36,184,368
Net deficit, end of year	$ (232,700,871)	(355,078,468)	(479,609,239)	122,377,597	124,530,771

Operating Revenues

2022 vs. 2021

Overall operating revenues for the year ended October 31, 2022 totaled $396.0 million, which were $7.7 million lower than the year ended October 31, 2021. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent decreased $3.3 million from $48.6 million for the year ended October 31, 2021. PILOT revenue totaling $270.9 million (68% of the total operating revenues for the fiscal year ended October 31, 2022), decreased by $12.5 million over the fiscal year ended October 31, 2021, primarily due to reductions in assessments that are established by the City. The $8.1 million change in lease interest and other revenues is an increase from $71.6 million for the year ended October 31, 2021 to $79.8 million for the year ended October 31, 2022.

2021 vs. 2020

Overall operating revenues for the year ended October 31, 2021 totaled $403.7 million, which were $55.3 million higher than the year ended October 31, 2020. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent decreased $14.5 million from $63.1 million for the year ended October 31, 2020. PILOT revenue totaling $283.4 million (70% of the total operating revenues for the fiscal year ended October 31, 2021), increased by $12.4 million over the fiscal year ended October 31, 2020, primarily due to increases in PILOT assessments established by the City. The $58.3 million change in lease interest and other revenues is an increase from $13.3 million for the year ended October 31, 2020 to $71.6 million for the year ended October 31, 2021. The variances in base rent and lease interest and other revenues are due to the restatement of fiscal year 2021 with the adoption of GASB 87.

Operating Expenses

2022 vs. 2021

Operating expenses totaled $66.5 million for the fiscal year ended October 31, 2022, representing a $2.6 million decrease compared to the fiscal year ended October 31, 2021. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses; and depreciation and amortization.

Wages and related benefits totaling $16.4 million decreased $84 thousand over the previous fiscal year ended October 31, 2021.

OPEB expenses for the Organization increased for the fiscal year ended October 31, 2022 by $1.4 million compared to the prior year (see note 19).

Other operating and administrative expenses of $32.2 million decreased by $4.5 million for the year ended October 31, 2022. The decrease in operating and administrative expenses is primarily due to the decrease of a bad debt expense by $4.2 million.

Depreciation and amortization expenses for the fiscal year ended October 31, 2022 of $12.9 million was $544 thousand higher than the year ended October 31, 2021.

2021 vs. 2020

Operating expenses totaled $69.1 million for the fiscal year ended October 31, 2021, representing a $12.2 million increase compared to the fiscal year ended October 31, 2020. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses; and depreciation and amortization.

Wages and related benefits totaling $16.5 million decreased $2.0 million over the previous fiscal year ended October 31, 2020. This decrease was primarily due to a reduction in pension expense for the year ended October 31, 2021.

OPEB expenses for the Organization increased for the fiscal year ended October 31, 2021 by $988 thousand compared to the prior year.

Other operating and administrative expenses of $36.7 million increased by $11.7 million for the year ended October 31, 2021. The increase in operating and administrative expenses is primarily related to the increase in bad debt expense of $8.8 million and a one-time expense of $2.9 million made by the Authority for the purchase of air rights. Depreciation and amortization expenses for the fiscal year ended October 31, 2021 of $12.3 million was $1.4 million higher than the year ended October 31, 2020.

Nonoperating Revenues (Expenses)

2022 vs. 2021

Total nonoperating expenses were a net $2.9 million lower for the year ended October 31, 2022 than the year ended October 31, 2021. A provision for a transfer to the City of $170.4 million in excess revenues was charged to expense for the year ended October 31, 2022, a decrease of $8.0 million from the year ended October 31, 2021.

Investment and other income (loss) decreased year over year by $5.7 million primarily due to the realized and unrealized losses in the portfolio during the year ended October 31, 2022. The decrease in other revenue primarily relates to FEMA proceeds and grants for capital projects in the amount of $3.3 million from the prior year. Additionally, there was a $755 thousand decrease in interest expense from $31.0 million for the year ended October 31, 2021 compared to $30.2 million for the year ended October 31, 2022 for the 2009, 2013 and 2019 Revenue Bonds, as well as the net interest expense for swaps.

2021 vs. 2020

Total nonoperating expenses were a net $45.2 million lower for the year ended October 31, 2021 than the year ended October 31, 2020. A provision for a transfer to the City of $178.4 million in excess revenues was charged to expense for the year ended October 31, 2021, a decrease of $6.6 million from the year ended October 31, 2020. In addition, a provision for transfer to the City for the 2010 Agreement of $2.0 million was charged to expense for the year ended October 31, 2021, a decrease of $42.8 million from the year ended October 31, 2020. The Authority has fulfilled its obligation for the 2010 Agreement as of October 31, 2021.

Investment and other income decreased year over year by $10.5 million primarily due to the realized and unrealized losses in the portfolio during the year ended October 31, 2021. The increase in other revenue primarily relates to FEMA proceeds and grants for capital projects in the amount of $3.7 million. Additionally, there was a $2.2 million decrease in interest expense from $33.2 million for the year ended October 31, 2020 compared to $31.0 million for the year ended October 31, 2021 for the 2009, 2013 and 2019 Revenue Bonds, as well as the net interest expense for swaps.

Change in Net Position (Deficit)

The total net deficits at October 31, 2022 and 2021 were $232.7 million and $355.1 million, respectively.

The total net deficits at October 31, 2021 and 2020 were $355.1 million and $479.6 million, respectively.

Other Information

Debt Administration – On December 22, 2009, the Authority issued $56,600,000 of fixed-rate Senior Revenue Bonds, Series A (Federally Taxable – Build America Bonds), (the "2009 Series A Bonds") and $30,635,000 of fixed-rate Senior Revenue Bonds, Series 2009 B (the "2009 Series B Bonds") (see notes 11 and 17).

At October 31, 2022, there were no 2009 Series A Bonds or 2009 Series B Bonds outstanding. On October 23, 2013, the Authority issued $356,085,000 of fixed-rate Senior Revenue Bonds, Series 2013A (Tax-Exempt Bonds) (the "2013 Series A Bonds") and $6,700,000 of fixed-rate Senior Revenue Bonds, Series 2013B (the "2013 Series B Bonds"). In addition, the Authority directly placed $609,530,000 of variable-rate Junior Revenue Bonds with three banks or bank affiliates, comprising $210,865,000 of Junior Revenue Bonds, Series 2013C (the "2013 Series C Bonds"), $199,330,000 of Junior Revenue Bonds, Series 2013D (the "2013 Series D Bonds"), and $199,335,000 of Junior Revenue Bonds, Series 2013E (the "2013 Series E Bonds") (collectively, the "2013 Series C, D, and E Bonds") (see notes 12 and 17). At October 31, 2022, outstanding bonds and ratings were as follows:

		Outstanding debt	Fitch	Moody's
2013 Senior Revenue A Bonds *	$	179,280,000	AAA	Aaa

* Source: Fitch - rating as of May 11, 2021, Moody's - rating as of June 14, 2019

On August 6, 2019, the Authority issued $72,765,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2019A (Sustainability Bonds) (the "2019 Series A Bonds"), $146,510,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2019B (the "2019 Series B Bonds"), and $3,570,000 of fixed-rate Senior Revenue Bonds, Series 2019C (Federally Taxable) (Sustainability Bonds) (the "2019 Series C Bonds"). On that date, the Authority also issued $300,000,000 of variable-rate Junior Revenue Bonds, Series 2019D (Adjustable Rate Bonds) (the "2019 Series D Bonds"), composed of $150,000,000 of Subseries 2019D-1 and $150,000,000 of Subseries 2019D-2 and sold $150,000,000 of variable-rate Junior Revenue Bonds, Series 2019E (the "2019 Series E Bonds") to a bank (see notes 13 and 17).

At October 31, 2022, outstanding bonds and ratings were as follows:

		Outstanding debt	Fitch	Moody's
2019 Senior Revenue A Bonds*	$	72,765,000	AAA	Aaa
2019 Senior Revenue B Bonds*		146,510,000	AAA	Aaa
2019 Senior Revenue C Bonds*		3,570,000	AAA	Aaa
2019 Junior Revenue D Bonds*		294,480,000	AA+	Aaa
2019 Junior Revenue E Bonds		147,235,000	Not rated	Not rated

* Source: Fitch - rating as of May 11, 2021, Moody's - rating as of June 14, 2019

COVID-19 Pandemic - The COVID-19 pandemic remains an evolving situation. The extent of the impact of COVID-19 on the Authority's business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Authority is currently unable to fully determine the extent of COVID-19's impact in future periods. The Authority's performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Authority continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

Requests for Information – This financial report is designed to provide a general overview of the Organization's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 200 Liberty Street, 24th Floor, New York, NY 10281. The Authority's Web site is: www.bpca.ny.gov.

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HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Statements of Net Position (Deficit)

October 31, 2022 and 2021

Assets		2022	2021 (Restated)
Current assets:			
Bank deposits	$	246,998	58,435
Investments (notes 3(e) and 3(k))		14,021,549	11,894,927
Restricted assets:			
Lease receivable (notes 7 and 15(c))		5,618,986	5,389,231
Accrued interest receivable		21,152,960	12,299,052
Rents and other receivables (net of allowance for doubtful accounts of $16,443,757 in 2022 and $11,426,385 in 2021) (note 15(a))		8,753,321	5,263,483
2003 General Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 10)		286,463,327	260,086,789
2009 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 11)		—	108,252
2013 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 12)		7,483,720	8,106,592
2019 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 13)		22,167,831	16,500,777
Bond resolution fund receivables (notes 3(e), 8, 9, 12 and 15(b))		—	25,705,000
Accrued pension asset (note 18)		2,672,048	—
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(k) and 19)		8,902,304	1,487,770
Total current assets		377,483,044	346,900,308
Noncurrent assets:			
Restricted assets:			
Lease receivable (notes 7 and 15(c))		1,741,147,666	1,687,341,581
2003 General Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 10)		32,524,723	34,659,520
2013 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 12)		2,609,643	2,420,998
2019 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 13)		13,685,457	42,147,933
Residential lease required funds (notes 3(e) and 3(k))		28,735,403	29,780,125
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(k) and 19)		117,044,535	92,280,988
Fair value of interest rate swaps (notes 3(j) and 10)		30,312,376	—
Battery Park City project assets – at cost, less accumulated depreciation (notes 2, 3(c), and 4)		556,481,932	545,657,338
Other assets		18,323,994	19,471,093
Total noncurrent assets		2,540,865,729	2,453,759,576
Total assets		2,918,348,773	2,800,659,884
Deferred Outflows of Resources			
Deferred pension outflows (note 18)		5,922,029	7,360,968
Deferred OPEB outflows (note 19)		5,928,687	6,703,894
Accumulated change in fair value of interest rate swaps (notes 3(j) and 10)		—	4,286,718
Unamortized loss on extinguishment of bonds (notes 3(g), 11 and 12)		11,934,609	13,233,329
Deferred costs of refunding, less accumulated amortization of $20,077,336 in 2022 and $13,878,045 in 2021 (note 10)		59,937,122	66,136,413
Total deferred outflows of resources		83,722,447	97,721,322
Total assets and deferred outflows of resources	$	3,002,071,220	2,898,381,206

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Statements of Net Position (Deficit)

October 31, 2022 and 2021

Liabilities		**2022**	**2021 (Restated)**
Current liabilities:			
Accrued interest on bonds	$	11,012,459	11,540,436
Accounts payable and other liabilities (note 16a)		5,501,071	10,384,608
Accrued pension payable (note 18)		—	30,221
Lease liability (note 7)		1,372,092	1,269,636
Accrued interest payable		33,207	47,885
Due to the City of New York (note 14)		170,428,646	178,407,943
Due to the City of New York - 2010 Agreement (note 14)		—	1,968,068
Due to the Port Authority of New York & New Jersey (note 20(b))		869,381	869,381
Unearned revenue (note 3(d)):			
PILOT revenue		44,715,832	41,374,383
Base rent and other revenue		6,313,809	22,595,283
Security and other deposits		4,738	4,738
2013 Revenue Bonds (notes 8, 9, and 12)		28,380,000	27,015,000
2019 Revenue Bonds (notes 8, 9, and 13)		4,400,000	4,235,000
Bond resolution fund payables (notes 3(e), 8, 9, 12 and 16b)		—	640,817
Total current liabilities		273,031,235	300,383,399
Noncurrent liabilities:			
Unearned revenue (note 3(d)):			
Base rent and other revenue		25,376,389	15,293,948
Security and other deposits		29,457,716	29,434,255
Lease liability (note 7)		10,731,332	12,003,788
OPEB (note 19)		47,782,000	45,492,997
Fair value of interest rate swaps (notes 3(j) and 10)		—	4,286,718
Imputed borrowing (note 3(j), 3(k) and 10)		59,937,122	66,136,413
Bonds outstanding (notes 8, 9, 10, 11, 12, 13 and 17):			
2013 Revenue Bonds, less accumulated amortization of $25,740,007 in 2022 and $22,908,336 in 2021		176,385,045	207,596,716
2019 Revenue Bonds, less accumulated amortization of $8,154,406 in 2022 and $5,637,134 in 2021		706,774,774	713,692,046
Total noncurrent liabilities		1,056,444,378	1,093,936,881
Total liabilities		1,329,475,613	1,394,320,280
Deferred Inflows of Resources			
Deferred lease inflows (note 7)		1,858,644,620	1,844,074,040
Deferred pension inflows (note 18)		9,519,402	9,078,009
Deferred OPEB inflows (note 19)		6,820,080	5,987,345
Accumulated change in fair value of interest rate swaps (notes 3(j) and 10)		30,312,376	—
Total deferred inflows of resources		1,905,296,478	1,859,139,394
Net Position (Deficit)			
Net investment in capital assets		37,041,385	28,703,435
Restricted:			
Debt service		51,529,525	21,041,583
Under bond resolutions and other agreements		88,727,139	73,146,938
Unrestricted (deficit)		(409,998,920)	(477,970,424)
Total net position (deficit)		(232,700,871)	(355,078,468)
Total liabilities, deferred inflows of resources and net position (deficit)	$	3,002,071,220	2,898,381,206

See accompanying notes to financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Statements of Revenues, Expenses, and Changes in Net Position (Deficit)

Years Ended October 31, 2022 and 2021

	2022	2021 (Restated)
Operating revenues:		
Revenues from ground leases (notes 5, 6, and 7):		
Base rent	$ 45,327,413	48,611,386
Supplemental rent	1,127	—
Payments in lieu of real estate taxes (note 14)	270,918,014	283,446,304
Lease interest and other revenue	79,774,131	71,625,730
Total operating revenues	396,020,685	403,683,420
Operating expenses:		
Wages and related benefits	16,386,257	16,470,652
OPEB (note 19)	5,043,914	3,597,470
Other operating and administrative expenses	32,175,076	36,719,331
Depreciation of project assets	10,671,301	10,359,704
Other depreciation and amortization	2,179,117	1,946,278
Total operating expenses	66,455,665	69,093,435
Operating income	329,565,020	334,589,985
Nonoperating revenues (expenses):		
Investment income on funds relating to:		
2003 Revenue Bonds (note 10)	1,754,311	1,194,180
Corporate-designated, escrowed, and OPEB funds	1,199,888	1,246,408
Realized and unrealized (losses)	(9,532,492)	(3,337,710)
Other revenue	429,088	3,722,868
Interest expense relating to:		
2003 Swap agreements – net expense	(8,887,744)	(11,438,456)
2003 Revenue Bonds (note 10)	(11,725)	(11,725)
2013 Revenue Bonds (note 12)	(6,050,378)	(7,396,978)
2019 Revenue Bonds (note 13)	(13,949,517)	(10,807,755)
Loss on extinguishment from debt	(1,298,720)	(1,298,720)
Lease interest expense	(414,783)	(339,432)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts (note 14)	(170,425,351)	(178,404,727)
Provision for transfer to the City of New York per 2010 agreement (note 14)	—	(1,968,068)
Provision for transfer to the City of New York - West Thames St Pedestrian Bridge	—	(1,219,099)
Total nonoperating expenses	(207,187,423)	(210,059,214)
Change in net position (deficit)	122,377,597	124,530,771
Net deficit, beginning of year	(355,078,468)	(479,609,239)
Net deficit, end of year	$ (232,700,871)	(355,078,468)

See accompanying notes to financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Statements of Cash Flows
Years Ended October 31, 2022 and 2021

		2022	2021 (Restated)
Cash flows from operating activities:			
Cash receipts from:			
Tenant payments	$	335,976,568	338,190,066
Miscellaneous receipts		764,585	2,073,545
Total cash receipts from operating activities		336,741,153	340,263,611
Cash payments for:			
Salaries and benefits		(18,306,299)	(17,754,130)
Services and supplies		(29,351,043)	(27,247,614)
Total cash payments for operating activities		(47,657,342)	(45,001,744)
Net cash provided by operating activities		289,083,811	295,261,867
Cash flows from noncapital financing activities:			
Payments from LMDC West Thames St Pedestrian Bridge		—	4,723,427
Payments to NYC EDC - West Thames St Pedestrian Bridge		—	(5,394,458)
Payments to the City of New York		(180,369,499)	(229,755,710)
Receipts from FEMA		—	3,289,203
Net cash used in noncapital financing activities		(180,369,499)	(227,137,538)
Cash flows from capital and related financing activities:			
Development costs – site improvements and construction		(24,340,631)	(23,667,134)
Capital asset expenditures		(304,481)	(639,959)
Receipts for capital projects		—	1,366,891
Auction fees for variable debt		(11,725)	(11,725)
Swap payment made on the 2003 Swap agreement		(9,805,183)	(11,465,336)
Swap interest payments received on the 2003 Swap agreement		253,052	29,645
Interest paid on 2013 Senior Revenue Bonds		(9,555,350)	(10,868,525)
Principal paydown on 2013 Senior Revenue Bonds		(27,015,000)	(25,735,000)
Interest paid on 2019 Senior Revenue Bonds		(10,755,371)	(10,755,371)
Interest paid on 2019 Junior Revenue Bonds		(3,459,535)	(1,139,884)
Principal paydown on 2019 Junior Revenue Bonds		(4,235,000)	(4,050,000)
Remarketing fees for Series 2019D		(147,360)	(148,662)
Bond purchase agreement fees for Series 2019D		(1,298,056)	(1,310,324)
Interest paid on lease liability		(414,783)	(339,432)
Principal paid on lease liability		(1,515,240)	—
Net cash used in capital and related financing activities		(92,604,663)	(88,734,816)
Cash flows from investing activities:			
Interest and realized gains received on investment securities		3,768,648	2,508,376
Maturities and redemptions of investment securities		539,830,517	841,780,525
Purchases of investment securities		(408,628,667)	(865,483,557)
Net cash provided by (used in) investing activities		134,970,498	(21,194,656)
Increase (decrease) in cash and cash equivalents		151,080,147	(41,805,143)
Cash and cash equivalents, beginning of year		74,344,041	116,149,184
Cash and cash equivalents, end of year	$	225,424,188	74,344,041

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Statements of Cash Flows
Years Ended October 31, 2022 and 2021

		2022	2021 (Restated)
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	329,565,020	334,589,985
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for bad debt expense		5,017,372	9,186,010
Depreciation and amortization		12,850,418	12,305,982
Other		(8,800)	270,708
Changes in operating assets and liabilities:			
(Increase) decrease in lease receivables		(54,035,840)	9,132,220
(Increase) in accrued interest receivables		(8,853,908)	(12,299,052)
(Increase) in pension asset		(2,672,048)	—
(Increase) in rents and other receivables		(8,674,778)	(8,028,066)
(Increase) decrease in other assets		(446,378)	207,227
Increase in accounts payable and other liabilities		52,701	282,031
(Decrease) in pension liability		(30,221)	(7,765,953)
(Decrease) in lease liability		(1,170,000)	(502,346)
Increase in OPEB		2,289,003	7,129,997
(Decrease) in deferred revenue		(2,857,584)	(7,895,017)
Changes in deferred resources:			
Deferred lease resources		14,570,580	(44,093,068)
Deferred pension resources		1,880,332	7,306,048
Deferred OPEB resources		1,607,942	(4,564,839)
Net cash provided by operating activities	$	289,083,811	295,261,867
Reconciliation to cash and cash equivalents, end of year:			
Bank deposits	$	246,998	58,435
Cash and cash equivalents (note 3(e))		44,772,227	37,887,337
Investments with less than 91-day maturities (note 3(e))		180,404,963	36,398,269
Cash and cash equivalents, end of year	$	225,424,188	74,344,041

See accompanying notes to financial statements.

(1) General

Hugh L. Carey Battery Park City Authority (the "Authority") is a public benefit corporation created in 1968 under the laws of the State of New York (the "State") pursuant to the Battery Park City Authority Act (the "Act") and is a legally separate entity from the State. The Authority has been doing business as the Hugh L. Carey Battery Park City Authority since 1999. For financial reporting purposes, the Authority is a component unit of the State and is included in the State's annual comprehensive financial report.

The Authority's reporting entity comprises itself and the Battery Park City Parks Conservancy (the "Conservancy"). The Conservancy was incorporated on December 2, 1987 as a New York not-for-profit corporation and is a blended component unit of the Authority in accordance with Governmental Accounting Standards Board ("GASB") standards. The Conservancy meets the criteria as a blended component unit since its governing body is the same as the Authority and the Authority holds operational responsibility for the Conservancy. The Conservancy's assets, liabilities, and results of operations are combined with the operations of the Authority for financial reporting purposes (see note 21).

The Authority and its blended component unit, the Conservancy, are referred to collectively as "the Organization" in the financial statements. All significant transactions between the Authority and the Conservancy have been eliminated.

The Act sets forth the purposes of the Authority, including: the improvement of the Battery Park City project (the "Project") area; the creation in such area, in cooperation with the City of New York (the "City") and the private sector, of a mixed commercial and residential community; and the making of loans secured by first mortgages to any housing company organized to provide housing within the Project area pursuant to the New York State Private Housing Finance Law. The Act also authorizes the Authority to pledge and assign revenues to secure financing for low and moderate-income housing developments outside the Project area, as well as issue bonds for the purposes of furthering the development of a commodities and futures exchange facility in Battery Park City, repaying certain State appropriations, and making a payment to the City and the State (see note 9).

The Act provides that the Authority and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the Authority shall have bonds, notes, and other obligations outstanding, unless adequate provision has been made for the payment of those obligations.

(2) Description of Project

The Project consists of approximately 92 acres of landfill created, owned, and operated by the Authority (see note 4). The Project's development plan includes approximately 36 acres of parkland and open spaces and provides for the construction, by private developers, of approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, museums, three public schools, a community center, a public library, four not-for-profit condos owned by the Authority, and approximately 8,275 residential units (see notes 5, 6, and 7).

The Authority also owns and controls significant air rights throughout the Project. Ground rents, payments in lieu of real estate taxes ("PILOT"), and other lease payments are received under the ground leases, all expiring in 2069. All sites on the Project have been developed.

(3) Summary of Significant Accounting Policies

(a) Financial Reporting

The Organization follows accounting principles generally accepted in the United States of America ("U.S. GAAP") as promulgated by GASB.

The Organization's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this basis, revenues are recognized in the period they are earned and expenses are recognized in the period they are incurred.

(b) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Estimates include reserves for doubtful accounts, useful lives of Project assets, net pension liability and other postemployment benefits. Actual results could differ from those estimates.

(c) Project Assets

Costs incurred by the Authority in developing the Project as of October 31, 2022 and 2021 were capitalized as Project assets and were classified as follows:

	Balance at October 31, 2021	Additions	Deletions	Balance at October 31, 2022
Land	$ 83,015,653	—	—	83,015,653
Site improvements	501,769,583	19,921,419	—	521,691,002
Residential building and condominiums	145,316,216	1,574,476	—	146,890,692
Total Project assets	730,101,452	21,495,895	—	751,597,347
Less: accumulated depreciation:				
Site improvements	140,784,735	7,243,635	—	148,028,370
Residential building and condominiums	43,659,379	3,427,666	—	47,087,045
Total accumulated depreciation	184,444,114	10,671,301	—	195,115,415
Net Project assets	$ 545,657,338	10,824,594	—	556,481,932

For the years ended October 31, 2022 and 2021, construction in progress (CIP) amounts of $32,829,892 and $24,221,758, respectively, are included in the site improvements balance, which consists primarily of the resiliency projects that are estimated to be completed in 2026.

	Balance at October 31, 2020	Additions	Deletions	Balance at October 31, 2021
Land	$ 83,015,653	—	—	83,015,653
Site improvements	478,798,516	22,971,067	—	501,769,583
Residential building and condominiums	142,205,238	3,110,978	—	145,316,216
Total Project assets	704,019,407	26,082,045	—	730,101,452
Less: accumulated depreciation:				
Site improvements	133,766,754	7,017,981	—	140,784,735
Residential building and condominiums	40,317,656	3,341,723	—	43,659,379
Total accumulated depreciation	174,084,410	10,359,704	—	184,444,114
Net Project assets	$ 529,934,997	15,722,341	—	545,657,338

The Authority records Project assets at historical cost. The costs of normal maintenance of the Project that do not add to the value of the Project or extend its useful life are not capitalized. Upon completion, site improvement costs, which consist principally of infrastructure, streets, and civic and public facilities, are being depreciated by the straight-line method over the remaining lease years (to 2069). Interest costs incurred during construction related to cost of infrastructure and facilities for phases being developed were capitalized until such phases were substantially completed and ready for construction of buildings. The residential building is being depreciated over a useful life of 50 years and the condominium units through the first appraisal date of each lease.

(d) Revenue from Ground Leases

As required by GASB 87, the Authority recognizes a lease receivable and a deferred inflow of resources. The lease receivable is amortized over the life of the lease and interest revenue is recognized over the term of the lease. Revenue from ground leases is recognized in a systematic and rational manner over the term of the lease and the deferred inflow of resources is reduced in the same manner, given the nature of the Authority's operations, revenue from ground leases and related fees and agreements are considered operating revenues. All other revenues are considered nonoperating. In accordance with the lease terms, the Authority received upfront lease payments in fiscal periods prior to 2022 of $40.7 million, $60 million, $42.5 million, $22.5 million, $33.9 million, $4.75 million and $4 million from residential buildings on Site 22, Site 16/17, Site 3, Site 23, Site 24, Site 2A and Site 13, respectively. In accordance with GASB 87, the Authority has implemented and restated its financial statements as of November 1, 2020. Under GASB 87, the remaining upfront base rent revenue of the following ground leases has been reclassified to deferred lease inflows from resources from unearned revenue. The residential sites that were impacted by this implementation were Sites 3, 13, 16/17, 23, and 24, accordingly.

In August 2005, the Site 26 commercial ground lease was signed providing for a one-time lump sum base rent payment of $161 million to be deposited with an escrow agent, which was paid in June 2007. In the fiscal year ended October 31, 2010, the Authority received $169.3 million from the escrow account as the Project was completed and various conditions were performed by the City. Base rent revenue relating to the one-time payment is being recognized on a pro rata basis over the lease term, which ends in 2069. Under GASB 87, the remaining upfront base rent portion of the commercial ground lease for Site 26 has been reclassified to deferred lease inflows of resources from unearned revenue.

(e) Investments and Deposits

The Authority carries all investments at fair value. Inherent risks that could affect the Authority's ability to provide services and meet its obligations as they become due are reported in accordance with U.S. GAAP. The Authority's permitted investments include: (i) 100% U.S. government guaranteed securities (U.S. Treasury notes, bonds, strips, T-bills, Ginnie Mae securities); (ii) notes, bonds, debentures, and mortgages of U.S. government-sponsored agencies provided that its obligations receive the highest credit rating at the time of purchase from all rating agencies that rate the obligation; (iii) obligations of any corporation organized under the laws of any state in the United States maturing within 270 days provided that such obligations receive the highest rating of two independent rating services (commercial paper); (iv) municipal bonds issued by the State of New York, its counties, towns and cities and New York authorities; and (v) the general obligations of any state provided that such obligations receive the highest rating by at least one rating agency. The Organization maintains its cash in bank accounts that are fully collateralized or backed by the Federal Deposit Insurance Corporation ("FDIC") or letters of credit. All investments held in funds and accounts established in accordance with bond resolutions are held as trust assets by the trustee banks in the Authority's name.

Total investments held by the Authority at October 31, 2022 and 2021, included within the statements of net position (deficit) as investments, corporate designated, escrowed and OPEB funds, bond resolution funds (see note 8) and residential lease required fund accounts, were as follows:

	October 31, 2022			October 31, 2021		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	$ 300,375,565	301,184,894	0.12	$ 284,443,705	284,458,532	0.25
Treasury Bonds	124,547,637	114,449,882	2.47	96,519,069	95,838,581	3.29
Treasury Strips	2,478,639	2,427,849	2.46	2,478,639	2,599,300	3.27
Total U.S. Treasury securities	427,401,841	418,062,625		383,441,413	382,896,413	
Commercial paper	33,355,798	33,612,663	0.07	52,561,966	52,587,689	0.29
Federal agency securities	15,305,739	15,353,906	0.04	1,334,865	1,334,953	0.06
Federal agency mortgage backed securities	1,723,463	1,604,461	2.90	2,493,819	2,582,321	3.19
Municipal bonds	5,102,027	4,742,553	2.53	3,907,027	3,983,409	2.91
Supra National Agency	16,705,105	15,490,057	2.14	18,158,318	18,202,549	2.99
Total investments	499,593,973	488,866,265	0.77	461,897,408	461,587,334	1.05
Cash and cash equivalents	44,772,227	44,772,227		37,887,337	37,887,337	
Total investments	$ 544,366,200	533,638,492		$ 499,784,745	499,474,671	

(a) Portfolio weighted average effective duration

As of October 31, 2022 and 2021, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to $180,404,963 and $74,285,606, respectively.

The Authority’s investment objectives for the portfolio are legal compliance, safety of principal, to meet liquidity requirements and to maximize legally allowable return.

Interest rate risk is the probability of loss on investments from future changes in interest rates, which can adversely affect their fair value. Duration is a measure of a debt investment’s exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment’s full price. Effective duration takes into account the change in cash flow expectations of securities with embedded options such as callable bonds and mortgage-backed securities. The interest rate risk of the Authority’s portfolio is measured according to effective duration.

Investments of amounts in funds and accounts established under the 2003 General Bond Resolution, and the 2009, 2013 and 2019 Revenue Bond Resolutions are presently restricted to obligations of the State, U.S. government and its agencies, or in any other obligations in which the Comptroller of the State of New York is authorized to invest pursuant to Section 98 of the State Finance Law.

Corporate-designated and escrowed funds represent funds designated by the Authority’s Board of Directors for specific purposes such as budget reserves, the Special Fund (see note 12), Project contingency reserves, restoration reserves, insurance reserves, and arbitrage reserves and funds designated for the payment of medical benefits to the Authority’s retirees (OPEB funds).

Residential lease required funds represent funds held by the Authority in accordance with its residential leases. These funds are largely comprised of security and escrow deposits held by the Authority for the residential buildings.

(f) Net Position (Deficit)

The Organization’s net position (deficit) is classified in the following categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of Project assets, net of accumulated depreciation and deferred costs reduced by the outstanding balance of debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of assets restricted for specific purposes by law or by parties external to the Organization. Unrestricted net position (deficit) consist of net position that are not classified as net investment in capital assets or that are not restricted. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, consistent with any respective restrictions, and then to use unrestricted resources as they are needed.

(g) Bond Insurance Costs

The bond insurance costs for the 2003 Bonds are included in unamortized loss on extinguishment of debt in deferred outflows of resources and are amortized using the straight-line method over the remaining period to the maturity of the extinguished bonds.

(h) Statements of Cash Flows

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with maturities of three months or less to be cash equivalents.

(i) Other Postemployment Benefits

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") governs the specifics of accounting for public other postemployment benefit ("OPEB") plan obligations for participating employers. GASB 75 requires a liability for OPEB obligations, known as the net OPEB liability (total OPEB liability for unfunded plans), to be recognized in the statements of net position (deficit) of participating employers. Changes in the net OPEB liability will be immediately recognized as OPEB expense in the statement of revenues, expenses and changes in net position (deficit) or reported as deferred inflows/outflows of resources depending on the nature of the change. GASB 75 establishes standards for the measurement, recognition, and financial statement presentation of OPEB expenses and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

(j) Accounting and Financial Reporting for Derivative Instruments, Deferred Outflows and Inflows of Resources, and Net Position

On August 6, 2019, the Authority refunded its 2013 Series C, 2013 Series D, and 2013 Series E variable-rate Junior Revenue Bonds and issued 2019 Series D and 2019 Series E variable-rate bonds. The interest rates on these bonds were hedged by interest rate swaps, which were bifurcated as of the date of the refunding. As defined by GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"), debt-type instruments (swaps) with market exposure are accounted for by bifurcating the transaction between a borrowing and an embedded derivative. The fair values of each element of the bifurcation can be made by estimating the fair value of the instrument (swaps) less the fair value of the borrowing. GASB 53 requires that associated interest swaps be tested for hedge effectiveness to qualify for the application of hedge accounting. On October 31, 2022 and 2021, the associated interest swaps were tested and qualified for hedge accounting. Accordingly, the fair value of the interest rate swaps on August 6, 2019 of negative $80 million was recorded as an imputed borrowing and a deferred outflow of resources by the Authority. These amounts are being amortized on a straight-line basis over the remaining life of the swaps and were $59.9 million and $66.1 million at October 31, 2022 and 2021, respectively. Apart from the imputed borrowing, the interest rate swap agreements, which continue in effect and continue as a hedge, had a positive fair value (from August 6, 2019) of $30.3 million at October 31, 2022. This positive fair value is recorded as a deferred inflow of resources and an asset on the Authority's statements of net position (deficit). The interest rate swap agreement has a negative fair value (from August 6, 2019) of $4.3 million at October 31, 2021.This negative fair value is recorded as a deferred outflow of resources and a liability on the Authority's statements of net position (deficit).

(k) Fair Value Measurement and Application

GASB No. 72, *Fair Value Measurement and Application,* requires the reporting of all assets and liabilities measurable at fair value to be disclosed in accordance with a defined fair value hierarchy. The fair value hierarchy prioritizes the inputs used to measure fair value into three broad levels (Levels 1, 2 and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3.

Level 1 inputs – observable, quoted prices for identical assets or liabilities in active markets.

Level 2 inputs – quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices e.g. interest rates and yield curves.

Level 3 inputs – unobservable inputs for the asset or liability. These should be based on the best information available. The Organization should utilize all reasonably available information, but need not incur excessive cost or effort to do so. However, it should not ignore information that can be obtained without undue cost and effort. As such, the reporting entity's own data should be adjusted if information is reasonably available without undue cost and effort.

The fair value measurement of the Organization's assets and liabilities at October 31, 2022 and 2021 were as follows:

October 31, 2022

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
U.S. Treasury Securities:				
Treasury Bills	$ 301,184,894	-	-	301,184,894
Treasury Bonds	114,449,882	-	-	114,449,882
Treasury Strips	2,427,849	-	-	2,427,849
Commercial Paper	-	33,612,663	-	33,612,663
Federal Agency Securities	-	15,353,906	-	15,353,906
Federal Agency Mortgage Backed Securities	-	1,604,461	-	1,604,461
Municipal Bonds	-	4,742,553	-	4,742,553
Supra National Bonds	-	15,490,057	-	15,490,057
Interest rate swaps	-	30,312,376	-	30,312,376
Total assets at fair value	$ 418,062,625	101,116,016	-	519,178,641

	October 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
U.S. Treasury Securities:				
Treasury Bills	$ 284,458,532	-	-	284,458,532
Treasury Bonds	95,838,581	-	-	95,838,581
Treasury Strips	2,599,300	-	-	2,599,300
Commercial Paper	-	52,587,689	-	52,587,689
Federal Agency Securities	-	1,334,953	-	1,334,953
Federal Agency Mortgage Backed Securities	-	2,582,321	-	2,582,321
Municipal Bonds	-	3,983,409	-	3,983,409
Supra National Bonds	-	18,202,549	-	18,202,549
Total assets at fair value	$ 382,896,413	78,690,921	-	461,587,334
Liabilities at fair value:				
Interest rate swaps	$ -	4,286,718	-	4,286,718
Total liabilities at fair value	$ -	4,286,718	-	4,286,718

(l) Tax Abatements

The primary objective of GASB 77 is to disclose the nature and magnitude of the reduction in tax revenues through tax abatement programs. The New York State Real Property Tax Code, Article 4, Title 2, allows for partial City property tax exemptions, namely 421a abatements for residential condominiums and 467a tax abatements for residential real property held in the cooperative or condominium form of ownership. The City determines the properties within the Project eligible for the tax abatements and the Authority administers the abatements to qualified properties by reducing future PILOT billings.

The 421a tax abatements for the years ended October 31, 2022 and 2021 were $8.5 million and $11.9 million, respectively.

The 467a tax abatements for the years ended October 31, 2022 and 2021 were $6.7 million and $6.8 million, respectively.

(m) Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements

All of the Authority’s bonds outstanding as of October 31, 2022 (see notes 11, 12 and 13) are governed by the 2003 General Bond Resolution, which states that upon any event of default, the Trustee may, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the outstanding bonds, proceed to protect and enforce the rights of the Bondholders, as the Trustee, shall deem most effectual to protect and enforce such rights. The 2003 General Bond Resolution does not, however, contain any remedial provision for acceleration of bond maturity.

The Authority’s Supplemental Resolutions pertaining to the 2019 Series D Bonds and the 2019 Series E Bonds, respectively, provide that the occurrence and during the continuance of an event of default, the Bonds of each of those series, and all obligations secured under the applicable Supplemental Resolution, shall bear interest at a default rate, which shall be payable by the Authority to each Bondholder on each interest payment date.

(n) Leases

As a component unit of the State, the Authority implements new GASB standards in the same fiscal year as they are implemented by the State. The following are discussions of the standards requiring implementation in the current year and standards which may impact the Fund in the future years.

In June 2017, GASB issued Statement No. 87, *Leases*, ("GASB 87"). The objective of GASB 87 is to improve accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for fiscal years beginning after June 15, 2021 and were adopted in the current year. The adoption of GASB 87 had no effect on the beginning net position (deficit) as reported for the year ended October 31, 2021 but required the recognition of the following components as of November 1, 2020 (the adoption date):

Lease asset, net	$ 1,901,931,688
Lease liability and deferred inflows of resources	1,901,931,688
Effect on October 31, 2021 net position (deficit)	$ -

GASB 87 requires the Authority's financial statements to be adjusted retrospectively for the earliest period presented. Certain balances reported as of and for the year ended October 31, 2021, have been restated to conform to the requirements of GASB 87 and the following line items have been restated:

Statement of Net Position (Deficit):	As Previously Reported	As Restated	Adjustment
Lease and accrued interest receivable	$ -	1,705,029,864	1,705,029,864
Other assets	6,851,291	19,471,093	12,619,802
Lease asset, net	$ 6,851,291	1,724,500,957	1,717,649,666
Lease liability and accrued interest payable	-	13,321,309	(13,321,309)
Unearned revenue	258,342,245	79,263,614	179,078,631
Deferred inflows of resources - leases	-	1,844,074,040	(1,844,074,040)
Lease liability and deferred inflows of resources	$ 258,342,245	1,936,658,963	(1,678,316,718)
Net position (deficit)	$ (394,411,416)	$ (355,078,468)	$ 39,332,948

Statement of Activities:

	As Previously Reported	As Restated	Adjustment
Base rent	$ 64,411,481	48,611,386	(15,800,095)
Civic facilities payments and other	16,153,249	71,625,730	55,472,481
Operating revenues	$ 80,564,730	120,237,116	39,672,386
Lease amortization and interest expense	$ -	(339,432)	(339,432)
Other revenue	3,722,874	3,722,868	(6)
Operating and non-operating expenses	$ 3,722,874	3,383,436	(339,438)
Change in net position (deficit)	$ 85,197,823	124,530,771	39,332,948

(o) New Accounting Pronouncements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, ("GASB 94"). GASB 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). The requirements for GASB 94 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority has not completed the process of evaluating GASB 94, but does not expect it to have an impact on the Authority's financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, ("GASB 96"). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users (governments). The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority has not completed the process of evaluating GASB 96, but does not expect it to have an impact on the Authority's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, ("GASB 97"). The objectives of GASB 97 are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Authority has determined that GASB 97 will not have an impact on the Authority's financial statements.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, (“GASB 98”). The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The Authority has determined that GASB 98 will not have an impact on the Authority’s financial statements.

GASB Statement No. 99, *Omnibus 2022*, has multiple effective dates depending on the Statement of the standard. This Statement addresses numerous accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Authority has determined that GASB 99 will not have an impact on the Authority’s financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* (“GASB 100”), has been issued to help 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. GASB 100 defines accounting changes, addresses corrections of errors in previously issued financial statements, and prescribes accounting and financial reporting for both. GASB 100 also addresses how information that is affected by a change in accounting or error correction should be presented in the required supplementary information explaining that the information should be restated for error corrections but not for changes in accounting principles. The requirements of GASB 100 are effective for fiscal years beginning after June 15, 2023. The Authority has not completed their evaluation of GASB 100 but does not anticipate any material impact.

GASB Statement No. 101, *Compensated Absences* (“GASB 101”), has been issued to align the recognition and measurement guidance of compensated absences. GASB 101 requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled otherwise. GASB 101 also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. The Authority has not completed their evaluation of GASB 101 but does not anticipate any material impact.

(4) Rights of City To Reacquire Project Site

The fee interest in the Project site formerly owned by the City was conveyed to the Authority in the early 1980s for a nominal consideration. The City has the right to reacquire the Project site at any time, subject to the then existing leases, for a nominal consideration after: (a) all notes, bonds, and other indebtedness incurred by the Authority, or for which the Authority’s revenues have been pledged, have been repaid or defeased; and (b) satisfaction or provision for payment of its contractual obligations and other contingent liabilities.

The City may provide for repayment or defeasance of indebtedness incurred by the Authority under its various bond resolutions. As of October 31, 2022, the City had not expressed its intent regarding its right to reacquire the Project site.

(5) Commercial Development

The commercial center includes six Class A office buildings totaling 10.7 million square feet, two hotels, a multi-plex movie theater and retail uses. There are thirty residential developments containing approximately 8,275 apartments within 30 projects that have been constructed since 1980.

As of October 31, 2022, all commercial development leases expire in 2069 and provide for future base rent payments aggregating $989 million over the lease terms, which includes base rent of $20.3 million per annum from 2023 through 2069 payable by the commercial development leases (see note 7). Annual PILOT is also required to be paid to the Authority based on the assessed value of each building and the tax rate then applicable to real property located in the borough of Manhattan, unless alternative PILOT arrangements are set forth in the ground lease. The City determines the assessed value of each building. Each lessee, or certain authorized tenants of the lessee, has the right to appeal the assessment to the City Tax Commission and bring tax certiorari proceedings in State court to seek reductions in the amounts of such assessments.

A number of administrative and judicial appeals on some of the parcels are currently pending for the current and prior tax years. While any such proceedings are pending, the lessee is required to pay PILOT based upon the assessments established by the City. If a lessee is successful in any such proceedings, subsequent PILOT payments to the Authority will be reduced to the extent necessary to offset the prior overpayment of PILOT as a result of the revised assessment.

(6) Residential and Other Development

In 1980, the Authority entered into a lease with a limited profit housing company that constructed an apartment complex consisting of 1,712 rental apartment units. In total, the Authority has entered into 30 leases of residential buildings consisting of 8,275 units containing 3,750 condominium and 4,525 rental units, including 115 condominium units in a mixed-use building containing a museum and a hotel. The allocation of residential space between condominiums and rental units and aggregate square footage relating to such categories of residential space are subject to change to the extent that condominium projects are converted to rental projects and vice versa. In addition, the number of condominium or rental units may vary to the extent that individual condominium or rental units are combined into larger units.

Future base rent payments are fixed through the first lease appraisal date, which varies among the projects, but is generally the first day of the calendar month next succeeding the twentieth or twenty-fifth anniversary of the date on which a temporary certificate of occupancy is issued.

For lease years subsequent to the first appraisal date, the leases provide for base rent payments, subject to limitations, based upon a percentage of the fair market value of the land, but generally not less than an amount in excess of the highest base rent payable for any lease year ending prior to the first appraisal date. Reappraisal dates occur every 15 years, commencing on the fifteenth anniversary of the first appraisal date.

Thirteen leases for residential buildings in the south neighborhood were modified to provide for increased fixed ground rents spread over the first two reappraisal periods. This modification reduced the ground rent increases from the original terms at 6% of fair market value.

Annual PILOT is also required to be paid to the Authority during the term of these leases. Certain leases provide for an abatement equivalent to the real estate tax abatements assessed by the New York City Department of Finance.

Certain residential leases also provide for supplemental rental payments, generally through the first appraisal date, which are to be paid if, and only to the extent, the PILOT payments are less than the minimum specified in each lease.

The residential leases also provide for payments to the Authority for the operation and maintenance of civic facilities installed by the Authority and, in some cases, of percentage rent based on rentals from commercial facilities. Certain leases also provide, among other matters, for the lessees to make payments to the Authority in the event of a conversion to a cooperative or condominium form of ownership.

(7) Leases

Lessor lease agreements are categorized and summarized as follows:

Summary:

The Authority implemented GASB 87 for the year beginning November 1, 2020 and used the payment schedules to measure the lease receivable as of October 31, 2022 and 2021, respectively. In addition, the lease receivable was discounted to a net present value at November 1, 2020 using a 3.265% interest rate, the rate calculated based on the Authority's weighted average cost of capital.

For the years ended October 31, 2022 and 2021, the Authority received $45,327,413 and $48,611,386, respectively, in lease revenue and $56,916,021 and $55,472,481, respectively, in lease interest revenues from all its properties. Future base rent payments due to the Authority are as follows for the years ending October 31st:

	Principal				Interest			
Year Ended	**Commercial**	**Residential**	**Hotel & Other**	**Total**	**Commercial**	**Residential**	**Hotel & Other**	**Total**
2023	$ 3,819,094	520,314	1,279,578	5,618,986	16,470,362	31,068,662	1,337,052	48,876,076
2024	3,945,670	567,536	1,437,253	5,950,459	16,343,786	31,702,754	1,287,885	49,334,425
2025	4,076,441	644,639	1,533,084	6,254,164	16,213,017	32,326,762	1,207,254	49,747,033
2026	4,799,663	693,682	1,054,105	6,547,450	16,073,126	33,442,597	1,164,325	50,680,048
2027	5,385,722	744,657	1,089,041	7,219,420	15,903,734	35,647,563	1,129,389	52,680,686
2028-2032	29,727,407	3,641,298	6,694,000	40,062,705	76,719,873	202,195,684	5,035,649	283,951,206
2033-2037	34,991,236	10,327,697	8,823,228	54,142,161	71,456,044	218,666,566	3,785,261	293,907,871
2038-2042	41,187,140	42,603,380	2,574,748	86,365,268	65,260,140	220,013,886	2,715,438	287,989,464
2043-2047	48,480,143	103,556,159	1,375,928	153,412,230	57,967,137	187,994,966	2,489,261	248,451,364
2048-2052	57,064,528	133,631,713	1,782,597	192,478,838	49,382,753	166,964,374	2,243,638	218,590,765
2053-2057	67,168,941	190,657,846	2,983,308	260,810,095	39,278,339	138,371,413	1,848,177	179,497,929
2058-2062	79,062,551	262,980,644	3,511,561	345,554,756	27,384,730	96,247,699	1,319,924	124,952,353
2063-2067	93,062,153	325,178,416	4,337,148	422,577,717	13,385,127	48,512,761	695,648	62,593,536
2068-2069	33,421,580	124,435,398	1,915,425	159,772,403	934,606	3,539,151	54,076	4,527,833
Total	**$ 506,192,269**	**1,200,183,379**	**40,391,004**	**1,746,766,652**	**482,772,774**	**1,446,694,838**	**26,312,977**	**1,955,780,589**

Lessee lease agreements are summarized as follows:

Start Dates	Terms	Interest Rate		11/1/2020 Total Lease Liability		Balance 10/31/2022
11/1/2020 to 1/1/2022	13 - 120 months	3.265%	$	13,866,354	$	12,103,424

The Authority leases office space, community space and storage space. The interest rate used for this lease is 3.265%, which is based on the weighted average cost of capital of the Authority as of November 1, 2020. The current lease periods range from 13 to 120 months with escalation payments that occur throughout the term of the lease.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending		Principal	Interest
2023	$	1,372,092	374,920
2024		1,419,105	329,415
2025		1,413,049	283,023
2026		1,252,253	219,214
2027		1,001,309	225,547
Thereafter		5,645,616	352,346
	$	12,103,424	1,784,465

(8) 2003 General Bond Resolution Funds and 2009, 2013 and 2019 Revenue Bond Resolution Funds

The current and noncurrent balance in the funds and accounts established in accordance with the Authority's 2003 General Bond Resolution Funds and held by trustees were as follows at October 31, 2022 and 2021:

		2003 General Bond Resolution Funds			
October 31, 2022		**General Bond Resolution**	**Senior Bonds**	**Junior Bonds**	**Total General Bond Resolution**
Reserve Fund	$	32,524,723	—	—	32,524,723
Project Operating Fund		10,239,243	—	—	10,239,243
Debt Service Funds		—	55,149,950	17,003,269	72,153,219
Residual Fund		260,365	—	—	260,365
Pledged Revenue Fund		203,810,500	—	—	203,810,500
Totals	$	246,834,831	55,149,950	17,003,269	318,988,050

October 31, 2021		2003 General Bond Resolution Funds General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
Reserve Fund	$	34,659,520	—	—	34,659,520
Project Operating Fund		10,156,991	—	—	10,156,991
Debt Service Funds		—	24,055,169	14,274,088	38,329,257
Residual Fund		47,074	—	—	47,074
Pledged Revenue Fund		211,553,467	—	—	211,553,467
Totals	$	256,417,052	24,055,169	14,274,088	294,746,309

As of October 31, 2021, there were in transit 2003 Debt Service Bond Resolution Fund receivables of $25,705,000. Accordingly, this amount has been included in the bond resolution fund receivables amount in the statement of net position (deficit).

In December 2009, as a result of the 2009 Senior Revenue Bonds issuance, funds and accounts were added to implement certain provisions of the 2003 General Bond Resolutions and were held by trustees. As of October 31, 2022, all 2009 Senior Revenue Bond funds have been spent. The chart below represents the balance at October 31, 2021:

October 31, 2021		2009 Revenue Bonds 2009A Senior Revenue Bonds	2009B Senior Revenue Bonds	Total 2009 Bonds
Project Costs Fund	$	108,252	—	108,252

In October 2013, as a result of the 2013 Senior Revenue Bonds issuance, funds and accounts were added to implement certain provisions of the 2003 General Bond Resolutions and were held by trustees as follows at October 31, 2022 and 2021:

October 31, 2022		2013 Revenue Bonds 2013A Senior Revenue Bonds	2013B Senior Revenue Bonds	Total 2013 Bonds
Project Costs Fund	$	10,093,363	—	10,093,363

October 31, 2021		2013 Revenue Bonds 2013A Senior Revenue Bonds	2013B Senior Revenue Bonds	Total 2013 Bonds
Project Costs Fund	$	10,527,590	—	10,527,590

In August 2019, as a result of the 2019 Senior Revenue Bonds and Junior Revenue Bonds issuances, funds and accounts were added to implement certain provisions of the 2003 General Bond Resolutions and were held by trustees as follows at October 31, 2022 and 2021:

October 31, 2022		2019 Revenue Bonds 2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	2019C Senior Revenue Bonds	Total 2019 Bonds
Cost of Issuance	$	5,628	—	—	5,628
Project Cost Funds		26,064,069	6,205,356	3,578,235	35,847,660
Totals	$	26,069,697	6,205,356	3,578,235	35,853,288

October 31, 2021		2019 Revenue Bonds 2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	2019C Senior Revenue Bonds	Total 2019 Bonds
Cost of Issuance	$	5,628	—	—	5,628
Project Cost Funds		47,256,401	7,832,488	3,554,193	58,643,082
Totals	$	47,262,029	7,832,488	3,554,193	58,648,710

Investments of amounts in funds and accounts established under the various 2003 General Bond Resolutions and 2009, 2013 and 2019 Revenue Bond Resolutions are presently restricted to obligations of the State, U.S. government, and its agencies, or in any other obligations in which the Comptroller of the State of New York is authorized to invest pursuant to Section 98 of the State Finance Law.

Amounts in the Project Costs Fund may be used to pay for costs of certain park, street, community center and other infrastructure improvements, and other capital expenditures.

Amounts in the Debt Service Funds and dedicated funds established under the 2003 General Bond Resolutions are used to pay debt service on the 2003 Swap agreements (see note 10) and the 2009, 2013 and 2019 Revenue Bonds. To the extent not utilized to fund any future debt service deficiencies, the funds will be available to retire bonds issued thereunder in the last year of bond maturity.

A Reserve Fund is held for the payments of debt service for the 2013 Series A Senior Revenue Bonds.

Amounts in the Project Operating Fund established under the 2003 General Bond Resolution Funds are not pledged to pay debt service and may be used by the Authority for and on certain additional indebtedness, which may be issued by the Authority for the funding of maintenance, repair, and restoration of the public open areas and civic facilities, and administrative and other expenditures, as defined.

Amounts held in the PRF are pledged and assigned for the payment of the debt service on the 2003 Swap agreements (see note 10) and the 2009, 2013 and 2019 Revenue Bonds and on certain additional indebtedness, which may be issued by the Authority and secured by the Authority's revenue.

Each November, after meeting funding requirements, the entire balance of funds remaining on deposit in the PRF is transferred to the Residual Fund. These balances become general assets for "lawful corporate purposes." From time to time, revenues not pledged to the bondholders are deposited to the PRF.

(9) Authority Bonds Authorized

The Act, as amended, authorizes the Authority to issue bonds and notes in amounts not to exceed:

(a) $300 million outstanding at any one time for the development of the Project;

(b) another $150 million for the purpose of financing capital costs in connection with development of the Project area, plus a principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness;

(c) $400 million outstanding at any one time for the making of loans to housing companies organized to provide housing within the Project area pursuant to the New York State Private Housing Finance Law;

(d) $100 million for the purpose of repaying State appropriations including accrued interest thereon and funding the infrastructure of the Project, plus a principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness;

(e) $150 million for the purpose of making a payment to the City, plus the principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness;

(f) $250 million for the purpose of making a payment to the State of New York. Such authorized amounts exclude bonds and notes issued to refund outstanding bonds and notes.

(g) $110 million for the purpose of furthering the development of a commodities and futures exchange facility in Battery Park City, plus the principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness. As of October 31, 2022, no bonds were issued for this purpose.

(h) $500 million for the purpose of financing capital costs in connection with a program of infrastructure construction, improvements and other capital expenditures for the Project, plus the funding of any related debt service reserve funds, provide capitalized interest, and to provide for fees and other charges and expenses including any underwriter's discounts, related to the issuance of such bonds or notes.

Issuance of additional bonds by the Authority is subject to meeting certain conditions, including approval by the City and the New York State Public Authorities Control Board.

The Act, as amended, authorized the Authority to enter into interest rate exchange agreements through December 31, 2003 in connection with the issuance of Authority debt or in connection with Authority debt already outstanding, to provide for an exchange of payments based upon fixed and/or variable-interest rates. In October 2003, the Authority entered into $400 million of interest Swaps (see note 10).

(10) 2003 Interest Rate Exchange Agreements (Swaps)

On October 2, 2003, the Authority executed Swaps with three counterparties. The Swaps were executed in conjunction with the Authority's issuance of $400 million of its 2003 Series C Bonds.

The total notional amount of the Swaps was $400 million, which amortize consistent with the original amortization schedule for the 2003 Series C Bonds. The effective date for the Swaps was October 16, 2003, which coincided with the delivery date of the 2003 Series C Bonds. The Authority executed the Swaps in order to effectively convert the variable-rate 2003 Series C Bonds to a net fixed-rate.

In July 2019, the Authority amended the terms of its Swap agreements with all counterparties. The Authority changed the fixed-rate of interest owed semiannually to counterparties from 3.452% to a range of 3.499% to 3.512%, which is now due to be paid monthly.

In return, the counterparties owe the Authority floating-rate interest equal to one-week Securities Industry and Financial Markets Association ("SIFMA") through mid-2024, and thereafter 65% of the fall back rate until maturity. The original notional amounts of the Swaps and the amortization thereof match the original principal amount and amortization schedule of the refunded 2003 Series C Bonds. Each Swap has been determined to be a hedge of the Authority's variable-rate obligations on the 2019 Series D Bonds and the 2019 Series E Bonds.

On October 29, 2021, BPCA adhered to the Fallback Protocol. Given each of the Authority's counterparties has also adhered to the Fallback Protocol, the Authority's adherence effectively replaces the fallback language in each of the amended trade confirmation with the Fallback Protocol language, thus replacing LIBOR with the Secured Overnight Financing Rate ("SOFR") plus the SOFR Spread from mid-2024 through maturity, unless and until such rate is further amended.

The Swaps were not terminated in connection with the issuance of the 2019 Series D Bonds and the 2019 Series E Bonds. Each Swap has been determined to be a hedge of the Authority's variable-rate obligations on the 2019 Series D Bonds and the 2019 Series E Bonds.

		Swap Notional Amortization	Interest-rate swaps		
			Payment	Pro-Forma Receipts	Pro-Forma Net (payment) receipt
Year ended October 31:					
2023	$	6,150,000	11,304,250	6,832,038	(4,472,212)
2024		6,400,000	11,083,872	6,584,997	(4,498,875)
2025		6,600,000	10,855,592	8,499,230	(2,356,362)
2026		6,875,000	10,618,971	8,099,158	(2,519,813)
2027		7,125,000	10,373,131	7,774,192	(2,598,939)
2028 – 2032		225,300,000	32,034,708	23,424,938	(8,609,770)
2033		66,500,000	2,348,650	1,697,624	(651,026)
Totals	$	324,950,000	88,619,174	62,912,177	(25,706,997)

The above table shows payments based on the Authority's pay-fixed-rate interest rate Swap payment obligation at an effective interest rate of 3.499% to 3.512%, while the Authority's variable-rate receipts are based on the floating rate equal to one-week SIFMA through mid-2024, thereafter 65% of SOFR plus SOFR Spread to maturity, which the counterparties are obligated to pay on a monthly basis.

Although the pro-forma receipts shown are projected based on the latest interest rate at October 31, 2022, one-week SIFMA (2.24%) and 65% of SOFR (1.9825%) plus SOFR Spread; actual receipts will depend on the actual fluctuation of one-week SIFMA and SOFR.

The Authority is exposed to a limited degree of counterparty credit risk associated with the Swaps. However, each of the counterparties carries a rating of "Baa1" or higher from at least one of the nationally recognized credit rating agencies. The counterparties are required to post collateral to the extent that they experience an appreciable decline in credit rating and the Swaps have positive fair value for the Authority.

The Authority reduced its basis risk on the Swaps for the five-year period of the amendment to one-week SIFMA, which matches the variable rate on the Series 2019 D Bonds and the Series 2019 E Bonds.

Starting in mid-2024, the Swaps floating rate index reverts back to 65% of SOFR plus SOFR Spread, which may result in basis risk.

On August 6, 2019, the Authority refunded its 2013 Series C, 2013 Series D, and 2013 Series E variable-rate Junior Revenue Bonds and issued 2019 Series D and 2019 Series E variable-rate bonds. The interest rates on these bonds were hedged by interest rate swaps, which were bifurcated as of the date of the refunding. As defined by GASB 53, debt-type instruments (swaps) with market exposure are accounted for by bifurcating the transaction between a borrowing and an embedded derivative. The fair values of each element of the bifurcation can be made by estimating the fair value of the instrument (swaps) less the fair value of the borrowing (see note 3j).

Debt service on the 2013 and 2019 Bonds and the 2003 Swap agreements (see notes 12 and 13) is secured by and is payable, after satisfaction of certain administrative, operating, and maintenance obligations of the Authority, solely from certain pledged lease revenues and Swap receipts, which are required to be deposited and maintained in the PRF established under the 2003 General Bond Resolution. The PRF, including income and earnings on investments thereof, has been pledged and assigned to a trustee for the benefit of the owners of the 2013 and 2019 Bonds and certain other beneficiaries, as their respective interest may appear.

In addition, the 2013 Series A Senior Revenue Bonds are secured by the Reserve Fund established under the 2003 General Bond Resolution. The rights to payment of the 2013 and 2019 Senior Bonds and senior reimbursement obligations are senior to the payment of the 2019 Junior Bonds, junior swap payments, and junior reimbursement obligations from amounts in the PRF.

As of each November 1, amounts in the PRF in excess of funding requirements for Project operating expenses and debt service, along with certain other unpledged amounts will be transferred into the Residual Fund (see notes 8 and 9).

(11) 2009 Revenue Bonds

On December 22, 2009, the Authority issued $56,600,000 of fixed-rate Senior Revenue Bonds, Series 2009A (Federally Taxable—Build America Bonds) (the “2009 Series A Bonds”) and $30,635,000 of fixed-rate Senior Revenue Bonds, Series 2009B (the “2009 Series B Bonds”) (see note 17). At October 31, 2022 and 2021, there were no 2009 Series A Bonds or 2009 Series B Bonds outstanding.

All Series 2009A and 2009B Bonds maturing after November 1, 2019 were refunded on August 6, 2019 and as of that date are no longer debt obligations of the Authority.

The Authority issued certain of the 2009 Series B Bonds at a premium of $1.81 million, which were being amortized on a straight-line basis until the bonds were refunded on August 6, 2019. The remaining unamortized net bond premiums of approximately $1.1 million were reclassified to Gain (Loss) on Extinguishment of Debt, when the bonds were refunded.

(12) 2013 Revenue Bonds

On October 23, 2013, the Authority issued $356,085,000 of fixed-rate Senior Revenue Bonds, Series 2013A (Tax-Exempt Bonds) (the “2013 Series A Bonds”) and $6,700,000 of fixed-rate Senior Revenue Bonds, Series 2013B Federally Taxable Bonds) (the “2013 Series B Bonds”).

In addition, the Authority directly placed $609,530,000 of variable-rate Junior Revenue Bonds with three banks or bank affiliates, comprising $210,865,000 of Junior Revenue Bonds, Series 2013C (the "2013 Series C Bonds"), $199,330,000 of Junior Revenue Bonds, Series 2013D (the "2013 Series D Bonds"), and $199,335,000 of Junior Revenue Bonds, Series 2013E (the "2013 Series E Bonds") (collectively, the "2013 Series C, D, and E Bonds").

The cumulative unamortized loss on redemption or maturity of bonds, including the unamortized bond insurance costs, collectively totaling $11.9 million and $13.2 million at October 31, 2022 and 2021, respectively, is classified in the statements of net position (deficit) as a deferred outflow of resources and is being amortized over the respective maturity of the corresponding bonds.

As of October 31, 2022, principal and interest payments due on the 2013 Series A Senior Revenue Bonds were as follows:

	Coupon Rate		Principal amount	Interest
Year ended October 31:				
2023	4.00% - 5.00%	$	28,380,000	8,178,050
2024	5.00%		29,760,000	6,730,050
2025	5.00%		28,740,000	5,267,550
2026	5.00%		25,040,000	3,923,050
2027	5.00%		23,745,000	2,703,425
2028 – 2032	4.00% - 5.00%		43,615,000	5,345,100
Totals		$	179,280,000	32,147,225

2013 Series A Senior Revenue Bonds:

The 2013 Series A Senior Bonds maturing after November 1, 2023 are subject to redemption, in whole or in part, at any time on or after November 1, 2023 at the option of the Authority, at a redemption price of par plus interest to the redemption date.

(13) 2019 Revenue Bonds

On August 6, 2019, the Authority issued $72,765,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2019A (Sustainability Bonds) (the "2019 Series A Bonds"), $146,510,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2019B (the "2019 Series B Bonds"), and $3,570,000 of fixed-rate Senior Revenue Bonds, Series 2019C (Federally Taxable) (the "2019 Series C Bonds").

On that date, the Authority also issued $300,000,000 of variable-rate Junior Revenue Bonds, Series 2019D (Adjustable Rate Bonds) (the "2019 Series D Bonds"), composed of $150,000,000 of Subseries 2019D-1 and $150,000,000 of Subseries 2019D-2) and sold $150,000,000 of variable-rate Junior Revenue Bonds, Series 2019E (the "2019 Series E Bonds") to a bank.

Proceeds of the Series 2019 Bonds were issued for the following purposes:

- A total of $3,813,506 of proceeds were allocated to pay for costs of issuance.
- A total of $99,352,522 of proceeds (comprising $86,150,000 from the 2019 Series A Bonds, $9,702,522 from the 2019 Series B Bonds, and $3,500,000 from the 2019 Series C Bonds) are to be used for certain infrastructure and other capital improvements.

- A total of $671,425,000 of proceeds of the 2019 Series B Bonds, the 2019 Series D Bonds, and the 2019 Series E Bonds was used to refund the 2009 Series A Bonds ($56,600,000), 2009 Series B Bonds ($28,055,000), the 2013 Series C Bonds ($204,835,000), the 2013 Series D Bonds ($190,965,000), and the 2013 Series E Bonds ($190,970,000).

As of October 31, 2022, principal and interest payments due on the fixed-rate Senior Revenue Bonds, 2019 Series A, 2019 Series B and 2019 Series C were as follows:

	Coupon Rate		Principal amount	Interest
Year ended October 31:				
2023	—	$	—	3,346,900
2024	—		—	3,346,900
2025	—		—	3,346,900
2026	—		—	3,346,900
2027	—		—	3,346,900
2028 – 2032	—		—	16,734,500
2033 – 2037	—		—	16,734,500
2038 – 2042	4.00%		7,220,000	16,541,900
2043 – 2047	5.00%		38,100,000	11,446,025
2048 – 2050	5.00%		27,445,000	2,103,125
Totals		$	72,765,000	80,294,550

2019 Series A Senior Revenue Bonds

The 2019 Series A Senior Revenue Bonds maturing on or after November 1, 2030 are subject to redemption, in whole or in part, at any time on or after November 1, 2029 at the option of the Authority, at a redemption price of par plus interest to the redemption date.

2019 Series B Senior Revenue Bonds

	Coupon Rate		Principal amount	Interest
Year ended October 31:				
2023	—	$	—	7,318,150
2024	—		—	7,318,150
2025	—		—	7,318,150
2026	—		—	7,318,150
2027	—		—	7,318,150
2028 – 2032	5.00%		1,700,000	36,425,750
2033 – 2037	5.00%		41,485,000	31,012,625
2038 – 2042	4.00% - 5.00%		103,325,000	12,097,550
Totals		$	146,510,000	116,126,675

The 2019 Series B Senior Revenue Bonds maturing on or after November 1, 2030 are subject to redemption, in whole or in part, at any time on or after November 1, 2029 at the option of the Authority, at a redemption price of par plus interest to the redemption date.

2019 Series C Senior Revenue Bonds

	Coupon Rate	Principal amount	Interest
Year ended October 31:			
2023	—	$ —	90,321
2024	—	—	90,321
2025	—	—	90,321
2026	—	—	90,321
2027	—	—	90,321
2028	2.53%	3,570,000	45,161
Totals		$ 3,570,000	496,766

The 2019 Series C Senior Revenue Bonds are subject to redemption, in whole or in part, on any business day at the option of the Authority, for the full issue price plus accrued interest or the sum of the present value of the remaining scheduled payments of principal and interest to maturity.

2019 Series D Junior Revenue Bonds:

Both subseries of the 2019 Series D Bonds are variable-rate demand bonds bears interest at a variable-rate based on one-week SIFMA plus applicable fees. The Authority has also entered into a standby purchase agreement as liquidity support for each of the two subseries.

The Authority has the right to cause the 2019 Series D Bonds to be repurchased from the initial purchasers on any business day at the discretion of the Authority.

2019 Series E Junior Revenue Bonds:

The 2019 Series E Bonds bear interest at a variable-rate based on one-week SIFMA plus a spread. The Authority has the right to cause the 2019 Series E Bonds to be repurchased from the initial purchasers on any business day upon 20 days prior written notice.

As of October 31, 2022, principal and interest payments due on the 2019 Series D and Series E variable-rate bonds were as follows:

	Junior D		Junior E		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ended October 31:						
2023	$ 2,930,000	10,920,005	1,470,000	5,634,546	4,400,000	16,554,551
2024	3,090,000	10,644,174	1,545,000	5,494,782	4,635,000	16,138,956
2025	4,970,000	10,473,538	2,490,000	5,406,291	7,460,000	15,879,829
2026	8,750,000	10,305,497	4,370,000	5,317,206	13,120,000	15,622,703
2027	10,860,000	10,015,829	5,435,000	5,165,655	16,295,000	15,181,484
2028 – 2032	95,780,000	39,890,721	47,880,000	20,569,149	143,660,000	60,459,870
2033 – 2037	126,260,000	18,632,704	63,120,000	9,600,931	189,380,000	28,233,635
2038 – 2041	41,840,000	524,172	20,925,000	270,006	62,765,000	794,178
Total	$ 294,480,000	111,406,640	147,235,000	57,458,566	441,715,000	168,865,206

The above schedule reflects interest on one-week SIFMA on October 31, 2022 plus applicable fees.

(14) Agreements with the City of New York Relating to Disposition of Revenue

The Authority entered into the Settlement Agreement with the City which provides, in effect, that: (i) all PILOT received by the Authority from its tenants remaining after operating and administrative expenses, payment of a proportionate part of principal and interest on the 2003 Swap agreements (see note 10), 2009, 2013 and 2019 Revenue Bonds (see notes 11, 12 and 13), certain site development costs and any agreed-upon commitments, will be remitted to the City; and (ii) all other rent payments and other revenue received by the Authority, remaining after payment of a proportionate part of the aforementioned items, will be retained by the Authority and spent in such manner and for such purposes as the Authority and the City shall jointly determine.

The $178.4 million of PILOT-related receipts provided for the transfer to the City during the year ended October 31, 2021 was transferred in June 2022. A provision in the amount of $170.4 million has been charged as a nonoperating expense for the year ended October 31, 2022.

In January 2010, the City and the Authority signed an amendment to the Settlement agreement (the "2010 Agreement") to distribute $861 million of accumulated and future excess revenues from the Joint Purpose Fund. The City and State were each allocated $200 million to be distributed in a pari passu basis.

The Authority met the $400 million obligation. Additionally, the Authority made payments totaling $200 million to satisfy the City 421-A fund obligation. The remaining $261 million distribution to the City pay-as-you-go capital fund was completed at the end of fiscal year 2021. The excess will then be accumulated in accordance with the Settlement Agreement.

(15) (A) Rents and Other Receivables

Rents and other receivables consisted of the following at October 31:

		2022	2021
Rents receivable	$	24,495,921	15,800,238
Interest receivable		613,905	780,091
Miscellaneous receivables		87,252	109,539
Total receivables		25,197,078	16,689,868
Less allowance for doubtful accounts		(16,443,757)	(11,426,385)
Net receivables	$	8,753,321	5,263,483

For the year ended October 31, 2022, the Authority has increased the allowance for doubtful accounts by approximately $5.0 million. The increase in the allowance is associated with the uncertainty of collections of non-core lease payments.

B) Bond Resolution Fund Receivables

As of October 31, 2021, $25,705,000 of bond resolution funds from the debt service accounts were generated by the sale of fund investments (see note 8). The securities were received by the Authority on November 1, 2021. These bond resolution funds have been recorded separately as bond resolution fund receivables in the statement of net position (deficit).

C) Lease Receivable

The Authority is reporting Lease Receivables of $1,746,766,652 and $1,692,730,812 at October 31, 2022 and 2021, respectively. For the years ended October 31, 2022 and 2021, the Authority reported lease revenues of $45,327,413 and $48,611,386 and interest revenue of $56,916,021 and $55,472,481, respectively, related to lease payments received. These leases are summarized as follows:

10/31/2022

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Commercial	$ 506,192,270	13,243,810	16,582,822
Residential	1,200,183,379	31,935,879	38,993,766
Hotel & Other	40,391,003	147,724	1,339,433
Total	$ 1,746,766,652	45,327,413	56,916,021

10/31/2021

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Commercial	$ 509,888,846	14,204,247	16,164,681
Residential	1,141,242,733	34,246,721	38,004,197
Hotel & Other	41,599,233	160,418	1,303,603
Total	$ 1,692,730,812	48,611,386	55,472,481

(16) A) Accounts Payable and Other Liabilities

Accounts payable and other liabilities consisted of the following at October 31:

	2022	2021
Amounts due to vendors	$ 2,879,176	6,599,856
Contract retention costs	1,155,090	2,334,035
Accrued payroll and benefits	1,091,368	1,071,293
Accrued bond fees	338,021	342,008
Due to developers	37,416	37,416
Total	$ 5,501,071	10,384,608

B) Bond Resolution Fund Payables

As of October 31, 2021, $640,817 of bond resolution funds from the security deposit fund accounts were used to purchase investments (see note 8). The securities were received by the Authority on November 1, 2021. These bond resolution funds have been recorded separately as bond resolution fund payables in the statement of net position (deficit).

(17) Long-Term Liabilities

The Organization's bonds and other long-term liabilities as of October 31, 2022 and 2021 were comprised of the following obligations:

	October 31, 2021	Additions	Deletions	October 31, 2022	Due within one year
Authority bonds outstanding:					
2013 Revenue Bonds:					
Series 2013A	$ 206,295,000	—	27,015,000	179,280,000	28,380,000
Unamortized net premiums	28,316,716	—	2,831,671	25,485,045	—
Subtotal 2013 Bonds	234,611,716	—	29,846,671	204,765,045	28,380,000
2019 Revenue Bonds:					
Series 2019A	72,765,000	—	—	72,765,000	—
Series 2019B	146,510,000	—	—	146,510,000	—
Series 2019C	3,570,000	—	—	3,570,000	—
Series 2019D	297,300,000	—	2,820,000	294,480,000	2,930,000
Series 2019E	148,650,000	—	1,415,000	147,235,000	1,470,000
Subtotal	668,795,000	—	4,235,000	664,560,000	4,400,000
Unamortized net premiums	49,132,046	—	2,517,272	46,614,774	—
Subtotal 2019 Bonds	717,927,046	—	6,752,272	711,174,774	4,400,000
Total bonds outstanding	952,538,762	—	36,598,943	915,939,819	32,780,000
Other long-term liabilities:					
OPEB	45,492,997	3,638,155	1,349,152	47,782,000	—
Imputed borrowing	66,136,413	—	6,199,291	59,937,122	—
Fair value of interest rate swap	4,286,718	—	4,286,718	—	—
Lease liability	13,273,424	—	1,170,000	12,103,424	1,372,092
Unearned revenue	79,263,614	—	2,857,584	76,406,030	51,029,641
Security and other deposits	29,438,993	23,461	—	29,462,454	4,738
Total other long-term liabilities	237,892,159	3,661,616	15,862,745	225,691,030	52,406,471
Total long-term liabilities	$ 1,190,430,921	3,661,616	52,461,688	1,141,630,849	85,186,471

Security and other deposits classified as due within one year represent amounts held on behalf of others that may become callable by the Authority within the year.

The October 31, 2022 column less the due within one year equals the non-current liabilities total.

The Organization's bonds and other long-term liabilities as of October 31, 2021 and 2020 were comprised of the following obligations:

	October 31, 2020	Additions	Deletions	October 31, 2021	Due within one year
Authority bonds outstanding:					
2013 Revenue Bonds:					
Series 2013A	$ 232,030,000	—	25,735,000	206,295,000	27,015,000
Unamortized net premiums	31,148,388	—	2,831,672	28,316,716	—
Subtotal 2013 Bonds	263,178,388	—	28,566,672	234,611,716	27,015,000
2019 Revenue Bonds:					
Series 2019A	72,765,000	—	—	72,765,000	—
Series 2019B	146,510,000	—	—	146,510,000	—
Series 2019C	3,570,000	—	—	3,570,000	—
Series 2019D	300,000,000	—	2,700,000	297,300,000	2,820,000
Series 2019E	150,000,000	—	1,350,000	148,650,000	1,415,000
Subtotal	672,845,000	—	4,050,000	668,795,000	4,235,000
Unamortized net premiums	51,649,318	—	2,517,272	49,132,046	—
Subtotal 2019 Bonds	724,494,318	—	6,567,272	717,927,046	4,235,000
Total bonds outstanding	987,672,706	—	35,133,944	952,538,762	31,250,000
Other long-term liabilities:					
OPEB	38,363,000	8,172,418	1,042,421	45,492,997	—
Imputed borrowing	72,335,703	—	6,199,290	66,136,413	—
Fair value of interest rate swap	16,159,650	—	11,872,932	4,286,718	—
Lease liability	—	13,755,770	482,346	13,273,424	1,269,636
Unearned revenue	273,462,707	—	194,199,093	79,263,614	63,969,666
Security and other deposits	29,411,256	27,737	—	29,438,993	4,738
Total other long-term liabilities	429,732,316	21,955,925	213,796,082	237,892,159	65,244,040
Total long-term liabilities	$ 1,417,405,022	21,955,925	248,930,026	1,190,430,921	96,494,040

Security and other deposits classified as due within one year represent amounts held on behalf of others that may become callable by the Authority within the year.

The October 31, 2021 column less the due within one year equals the non-current liabilities total.

(18) Retirement Costs

Plan Descriptions and Benefits Provided

The Authority relies on the New York State and Local Retirement System for certain information included below:

The Authority – The Battery Park City Authority participates in the New York State and Local Employees' Retirement System ("ERS"), and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the "System." These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System.

The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at **www.osc.state.ny.us/retire/publications/index.php** or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits

The benefits employees will receive are governed by the RSSL. Employees are placed in tiers depending on when they last became members. The benefits in all tiers are 1.67% of the final average salary for each year of service if members retire with less than 20 years. If members retire with more than 20 years of service, the percentages vary according to the tier they are in. The minimum service requirements and minimum age requirement vary according to the tier the employee is in.

Annual cost of living adjustments are provided to pensioners after waiting periods defined in the plan. The adjustments are a percentage of the annual retirement benefit as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost of living percentage is 50% of the Consumer Price Index but not less than 1% or more than 3%.

Ordinary disability benefits are usually one third of salary and are provided to eligible members after ten years or, in some cases, five years of service. Accidental disability benefits are either 75% of salary with an offset for any workers' compensation benefits received or the ordinary disability benefit with the year of service eligibility requirement dropped, depending on the tier. Death benefits are payable upon the death, before retirement, of a member who meets the eligibility requirements as set forth by law. The benefit is generally three times the member's annual salary.

Contributions

The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Year	ERS
2022	$ 1,181,874
2021	1,036,597
2020	965,189
	$ 3,183,660

At the end of fiscal year 2022, the Authority pre-funded the 2023 required contribution in the amount of $918,577 which has been included in deferred outflows of resources in the accompanying financial statements.

At the end of fiscal year 2021, the Authority pre-funded the 2022 required contribution in the amount of $1,181,874 which has been included in deferred outflows of resources in the accompanying financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At October 31, 2022 and 2021, the Authority reported an asset of $2,672,048 and a liability $30,221, respectively, for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of the Systems' fiscal year end at March 31, 2022 and 2021, respectively, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date.

The Authority's proportion of the net pension liability (asset) was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At October 31, 2022 and 2021, the Authority's proportion was 0.0326873% and 0.0303502%, respectively.

For the years ended October 31, 2022 and 2021, the Authority recognized pension expense of $96,640 and $692,578, respectively. At October 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

October 31, 2022

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	202,358	262,470
Changes of assumptions		4,459,348	75,247
Net difference between projected and actual earnings on pension plan investments			8,749,837
Changes in proportion and differences between LG		341,746	
contributions and proportionate share of contributions			431,848
LG contributions subsequent to the measurement date		918,577	
Total	$	5,922,029	9,519,402

October 31, 2021

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	369,079	
Changes of assumptions		5,556,649	104,800
Net difference between projected and actual earnings on pension plan investments			8,681,223
Changes in proportion and differences between LG contributions and proportionate share of contributions		253,366	291,986
LG contributions subsequent to the measurement date		1,181,874	
Total	$	7,360,968	9,078,009

As of October 31, 2022 and 2021, $5,922,029 and $7,360,968 was reported as a deferred outflow of resources, respectively, and $9,519,402 and $9,078,009 was reported as a deferred inflow of resources, respectively, including a deferred outflow of resources amounting to $918,577 and $1,181,874 as of October 31, 2022 and 2021, respectively, related to pensions resulting from the Authority's contributions subsequent to the measurement date that will be recognized as pension expense in the next fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended October 31:		
2023	$	236,589
2024		(1,028,567)
2025		(2,314,293)
2026		(491,102)
2027		–
Thereafter		–
	$	(3,597,373)

Actuarial Assumptions

The total pension liability (asset) at the System's year-end of March 31, 2022 and 2021 was determined by using an actuarial valuation as of April 1, 2021 and 2020, with update procedures used to roll forward the total pension liability (asset) to the System's year-end of March 31, 2022 and 2021.

Significant actuarial assumptions used in the April 1, 2021 and 2020 valuations were as follows:

2021	
Interest Rate	5.9%
Salary Scale ERS	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
System's Experience	
Inflation rate	2.7%

2020	
Interest Rate	5.9%
Salary Scale ERS	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
System's Experience	
Inflation rate	2.7%

The actuarial assumptions used in the 2021 and 2020 valuations are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class and the target asset allocation as of March 31, 2022 and 2021 are summarized below.

March 31, 2022

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	32.00%	3.30%
International Equity	15.00%	5.85%
Private Equity	10.00%	6.50%
Real Estate	9.00%	5.00%
Opportunistic/ARS portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real Asset	3.00%	5.80%
Fixed Income	23.00%	0.00%
Cash	1.00%	-1.00%

March 31, 2021

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	32.00%	4.05%
International Equity	15.00%	6.30%
Private Equity	10.00%	6.75%
Real Estate	9.00%	4.95%
Opportunistic/ARS portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real Asset	3.00%	5.95%
Fixed Income	23.00%	0.00%
Cash	1.00%	0.50%

Discount Rate

The discount rates used to calculate the total pension liability (asset) as of March 31, 2022 and 2021 were 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9%) or 1-percentage-point higher (6.9%) than the current rate as of October 31, 2022:

		1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's share of the Net Pension Liability (Asset)	$	6,877,822	(2,672,048)	(10,660,053)

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9%) or 1-percentage-point higher (6.9%) than the current rate as of October 31, 2021:

		1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's share of the Net Pension Liability (Asset)	$	8,388,153	30,221	(7,677,749)

Pension plan fiduciary net position

The components of the current-year net pension liability of the System's plan year-end of March 31, 2022 and 2021 were as follows:

		(Dollars in Thousands) 2022 Employees' Retirement System	2021 Employees' Retirement System
Employers' total pension liability	$	223,874,888	220,680,157
Plan net position		(232,049,473)	(220,580,583)
Employers' net pension liability	$	(8,174,585)	99,574
Ratio of plan net position to the employers' total pension liability		103.65%	99.95%

Beginning July 1, 2013, New York State made the Voluntary Defined Contribution plan (“VDC”) option available to all unrepresented (non-union) employees of NYS public employers who are paid at a rate of $75,000 or more on an annual basis as an alternative to the ERS/TRS defined benefit plan systems. The NYS VDC is a defined contribution plan. Defined contribution plans are retirement savings vehicles that provide benefits "defined" by employer and employee contributions to the plan and the investment earnings on those contributions.

(19) Other Postemployment Benefits (OPEB)

(a) Plan Description

The Authority is a participating employer in the New York State Health Insurance Program (“NYSHIP”), which is administered by the State as an agent multiple-employer defined benefit plan. Under the plan, the Authority provides certain healthcare benefits for eligible retired employees and their dependents under a single-employer noncontributory healthcare plan. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plan and to establish maximum obligations of the plan members to contribute to the plan. The Authority’s Board is authorized to establish contribution rates for employees and retirees below those set by Civil Service Law. The Authority’s plan states that employees and/or their dependents become eligible for these benefits at 55 years of age when the employee has 10 years of State service. In calculating the 10-year service requirement, all of the employee’s service need not be with the Authority, but may be a composite of New York State service elsewhere, with a minimum of 3 years with the Authority. Employees with no prior State service must work a minimum of 10 years before they and their dependents are eligible for the retirement medical benefits. Eligible retirees hired on or after November 1, 2001, contribute 10% of the cost of single coverage and 25% of the cost of dependent coverage for health insurance benefits. The Authority covers 100% of the cost of single and dependent coverage for employees hired before November 1, 2001. A vestee is an Authority employee vested as a member of the retirement system administered by the State, has withdrawn from State service after meeting the Authority’s minimum service requirement, but has not met the age requirement for continuing health insurance. As of October 31, 2022, 184 participants, including 127 employees and 57 retired and/or spouses of retired employees, were eligible to receive these benefits.

NYSHIP does not issue a stand-alone financial report and NYSHIP’s agent activities are included within the financial statements of the State.

For the years ended October 31, 2022 and 2021 and in accordance with GASB Statement 75, updated actuarial valuations were completed for the valuation dated November 1, 2020. This is the date as of which the actuarial valuations was performed. The measurement dates for the actuarial valuations are October 31, 2021 and October 31, 2020, accordingly. These are the dates as of which the OPEB liabilities were determined.

(b) Funding

The contribution requirements (funding) of the Authority’s total OPEB obligation are at the discretion of management as approved by the members of the Board. The Authority’s total OPEB obligation continues to be financed on a pay-as-you-go basis from assets segregated for the exclusive purpose of paying OPEB obligations.

(c) OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB liability is the portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 75. The total annual OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date in accordance with the parameters of GASB 75. As of October 31, 2022 and 2021, $47,782,000 and $45,492,997, respectively, was reported for the Authority's total OPEB liability.

For the years ended October 31, 2022 and 2021, the Authority recognized OPEB expenses of $5,043,914 and $3,597,470, respectively.

Deferred inflows of resources and deferred outflows of resources are a portion of changes in total OPEB liability that is not immediately recognized in OPEB expense.

These changes include differences between expected and actual experience, changes in assumptions and differences between expected and actual earnings on plan investments. As of October 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

October 31, 2022

		Deferred Inflows of Resources	Deferred Outflows of Resources
Changes of assumptions	$	6,820,080	4,781,717
Contributions subsequent to measurement date		-	1,146,970
	$	6,820,080	5,928,687

October 31, 2021

		Deferred Inflows of Resources	Deferred Outflows of Resources
Changes of assumptions	$	5,987,345	5,671,581
Contributions subsequent to measurement date		-	1,032,313
	$	5,987,345	6,703,894

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended October 31:		
2023	$	702,765
2024		(444,205)
2025		(640,676)
2026		(566,831)
2027		(262,760)
Thereafter		320,314
	$	(891,393)

(d) Actuarial Methods and Assumptions

The Authority's total OPEB liabilities were determined by actuarial valuations as of November 1, 2020:

Significant actuarial assumptions used in the November 1, 2020 valuation were as follows:

2020	
Inflation Rate	2.20%
Salary Scale	3.20%
Health Cost	Getzen Model Version 2020
Mortality	PUBG-2010 Mortality Tables

This valuation report reflects postemployment benefits that have been extended to current and future retirees and their dependents. Actuarial valuations involve estimates of the value of reported amounts, assumptions about the probability of events in the future and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Examples include assumptions about employment, mortality and the healthcare cost trend. In accordance with GASB 75, the Entry Age Normal cost method was used for determining service costs and the actuarial accrued liability. All benefits estimated to be payable through the OPEB plan to current active and inactive employees as a result of their past service and expected future service.

2020

The annual healthcare cost trend rates vary based on type of health coverage valued; initial trends start at 5.3% to 6.2%, declining approximately 0.1% each year to an ultimate trend rate of 3.3%. The trend rates reflect a general inflation level of 2.2%.

(e) Discount Rate

The discount rates used to calculate the total OPEB liability as of October 31, 2022 and 2021 were 2.41% and 2.15%, respectively. The discount rate is a single rate of return, when applied to all projected benefit payments equal to the sum of: (1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return. (2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate. The Municipal Bond Rate is a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

(f) Sensitivity of the Net OPEB Liability to the Discount Rate Assumption

The following represents the Authority's total OPEB liability estimated as of October 31, 2022, calculated using the discount rate of 2.41%, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.41 percent) or 1-percentage-point higher (3.41 percent) than the current rate:

October 31, 2022

		1% Decrease 1.41%	Current Discount 2.41%	1% Increase 3.41%
Total OPEB Liability	$	56,806,000	47,782,000	40,697,000

The following represents the Authority's total OPEB liability estimated as of October 31, 2021, calculated using the discount rate of 2.15%, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.15 percent) or 1-percentage-point higher (3.15 percent) than the current rate:

October 31, 2021

		1% Decrease 1.15%	Current Discount 2.15%	1% Increase 3.15%
Total OPEB Liability	$	54,274,159	45,492,997	38,576,009

The following represents the Authority's total OPEB liability estimated as of October 31, 2022, calculated using the current healthcare cost trend rates as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

October 31, 2022

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$	39,411,000	47,782,000	58,936,000

The following represents the Authority's total OPEB liability estimated as of October 31, 2021, calculated using the current healthcare cost trend rates as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

October 31, 2021

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$	37,718,731	45,492,997	55,788,106

(g) OPEB Status and Funding Progress

The Authority's OPEB obligation and the funded status of the plan as of October 31, 2022 is as follows:

OPEB Balance at November 1, 2021	$	45,492,997
Changes for the period:		
Service cost		2,614,739
Interest		1,023,416
Benefit payments		(1,019,348)
Effect of plan changes		1,837,000
Changes in assumptions		(2,166,804)
Net changes		2,289,003
OPEB Balance at October 31, 2022	$	47,782,000

The effect of plan changes in the amount of $1.8 million relates to the addition of former employees of the Organization that no longer required to contribute to the plan. The Organization has now assumed the full health premium cost of these former employees.

The following is a list of significant changes in the actuarial assumptions from the prior year:

The discount rate increased from 2.15% to 2.41%, due to a change in the municipal bond rate.

The Authority's OPEB obligation and the funded status of the plan as of October 31, 2021 is as follows:

OPEB Balance at November 1, 2020	$	38,363,000
Changes for the period:		
Service cost		2,298,000
Interest		1,473,303
Benefit payments		(1,042,421)
Changes in assumptions		4,401,115
Net changes		7,129,997
OPEB Balance at October 31, 2021	$	45,492,997

Corporate assets held at October 31, 2022 and 2021 in separate corporate OPEB accounts for the exclusive purpose of paying OPEB obligations were approximately $38.8 million and $42.4 million, respectively. The Authority has segregated assets for the exclusive purpose of paying OPEB obligations, the funds cannot be irrevocably dedicated for that purpose and therefore cannot be held as a funded OPEB asset. The OPEB assets are therefore included in the statements of net position (deficit) within the other corporate designated, escrowed, and postemployment benefit funds financial statement classification.

(20) Commitments and Other Matters

(a) The Authority has entered into construction and other related contracts, having unexpended balances aggregating $69.6 million as of October 31, 2022.

(b) On October 23, 2007, the members of the Authority approved a proposal by the Governor to pay up to $40 million of Special Fund monies to the PANYNJ for the pedestrian underpass under Route 9A.

The concourse will connect the Winter Garden (on the west, at the edge of Battery Park City) and the World Trade Center site on the east. As of October 31, 2022, the Authority had disbursed a total sum of $39,130,619 to the PANYNJ.

(c) Pursuant to its ground lease with Goldman providing for construction by Goldman of a new world headquarters building in Battery Park City, the Authority entered into an arrangement as of July 18, 2007, under which Goldman may make purchases related to construction, furnishing, and equipping the building without liability for New York State and City sales tax, for an aggregate sales tax exemption of up $60 million. To qualify for the exemption, the Authority is liable for payment of Goldman's purchases in connection with the building, in an amount not to exceed $100 million (in addition to the value of goods delivered to the building), which purchases Goldman is to make as agent of the Authority, but which Goldman is obligated to pay pursuant to its ground lease. The Goldman Sachs Group, Inc (the corporate parent of Goldman) executed a guaranty to assure reimbursement of any amounts paid by the Authority as a consequence of this arrangement. The likelihood of any payments made directly by the Authority resulting from this arrangement is considered remote.

(21) Battery Park City Parks Conservancy

The Conservancy was incorporated on December 2, 1987 as a New York not-for-profit corporation. The Authority, as sole member of the Conservancy, designated the Authority's members to serve as the Conservancy's Board of Directors. By approval of the Board of Directors, the Conservancy added the Authority's President as an additional Director. The Conservancy's mission is to maintain and repair the parks and open spaces in and around Battery Park City. The Authority merged in the employees and their related costs in November 2015. All other operations and related expenses were conducted by the Authority as of November 2020.

(22) Litigation

The Authority is a party to litigation and claims in the ordinary course of its operations. Since it is not possible to predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. Authority management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the Authority, and that any potential losses would, in any event, be covered by the Authority's various insurance policies.

(23) COVID-19

The COVID-19 pandemic remains an evolving situation. The extent of the impact of COVID-19 on the Authority's business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Authority is currently unable to fully determine the extent of COVID-19's impact in future periods. The Authority's performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Authority continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations. The Authority does not expect the impact of COVID-19 to have a material impact on its operations.

(24) Subsequent Event

On or about December 12, 2022, the Authority was served with a Notice of Petition and Petition, pursuant to Article 78 of the Civil Procedure Laws and Rules, in which petitioner challenges the Authority's compliance with the State Environmental Quality Review Act ("SEQRA") and seeks, inter alia, to enjoin the Authority from proceeding with that portion of its resiliency project related to Wagner Park until the Authority complies with the procedural requirements of SEQRA. The Authority disputes the allegations contained in the Petition and believes the Petition should be denied, as the Authority has already complied with SEQRA. Until the parties can next be heard before the court, the Authority has agreed to temporarily halt certain construction activities at Wagner Park. It should be noted that there is no claim for money damages included in the Petition.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Required Supplementary Information – Schedule of the Organization's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years * (Unaudited)

Schedule of the Organization's Proportionate Share of the Net Pension Liability

New York State and Local Employees' Retirement System
(Dollar amounts in thousands)

	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
The Authority's proportion of the net pension liability (asset)	0.03268730%	0.03035020%	0.02944110%	0.02678100%	0.02572800%	0.02614580%	0.01468700%	0.01539080%
The Authority's proportionate share of the net pension liability (asset)	$ (2,672)	$ 30	$ 7,796	$ 1,898	$ 830	$ 2,457	$ 2,357	$ 519
The Authority's covered payroll	$ 10,049	$ 9,519	$ 9,287	$ 8,735	$ 8,071	$ 8,054	$ 5,664	$ 3,843
The Authority's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-26.59%	0.32%	83.95%	21.73%	10.28%	30.51%	41.61%	13.51%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.40%	96.30%	98.20%	94.70%	90.70%	98.10%

Notes to Schedule:
* Data is not available for years prior to the fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions.*

Changes of assumptions
Changes of assumptions reflect the changes in the discount rate. The following are the discount rates used in each measurement period:

Measurement Date - March 31:	Percentage
2022	5.90%
2021	5.90%
2020	6.80%
2019	7.00%
2018	7.00%
2017	7.00%
2016	7.00%
2015	7.50%

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Required Supplementary Information – Schedule of Employer Contributions
Last 10 Fiscal Years (Unaudited)

Schedule of Employer Contributions

New York State and Local Retirement System
(Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 1,182	$ 1,037	$ 965	$ 1,165	$ 930	$ 713	$ 518	$ 710	$ 605	$ 541
Contribution in relation to the actuarially determined contribution	$ 1,182	$ 1,037	$ 965	$ 1,165	$ 930	$ 713	$ 518	$ 710	$ 605	$ 541
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Authority's covered payroll	$ 10,049	$ 9,519	$ 9,287	$ 8,735	$ 8,071	$ 8,054	$ 5,664	$ 3,843	$ 4,427	$ 4,220
Contribution as a percentage of covered payroll	11.76%	10.89%	10.39%	13.34%	11.52%	8.85%	9.15%	18.48%	13.67%	12.82%

(Dollar amounts in thousands)

Schedule of Changes in Total OPEB Liability and Related Ratios

		2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$	2,615	2,298	1,947	2,103	2,137
Interest cost		1,023	1,473	1,399	1,402	1,288
Benefit Payments		(1,019)	(1,042)	(907)	(925)	(896)
Effect of economic/demographic gains or (losses)		(2,167)	4,401	1,079	(7,927)	(1,260)
Effect of plan changes **		1,837	—	—	—	—
Net Change in Total OPEB Liability		2,289	7,130	3,518	(5,347)	1,269
Total OPEB Liability - Beginning		45,493	38,363	34,845	40,192	38,923
Total OPEB Liability - Ending	$	47,782	45,493	38,363	34,845	40,192
Covered employee payroll	$	10,517	10,929	10,432	9,943	9,406
Total OPEB Liability as a Percentage of Covered Employee Payroll		454%	416%	368%	350%	427%

Notes to Schedule:

* This schedule is intended to present the 10 most current fiscal years of data. However, only five years of data are available with the adoption of GASB Statement 75 during the year ended October 31, 2018.

** The effect of plan changes in the amount of $1.8 million relates to the addition of former employees of the Organization that are no longer required to contribute to the plan. The Organization has now assumed the full health premium cost of these former employees.

Changes of assumptions

Changes of assumptions reflect the changes in the discount rate each year. The following are the discount rates used in each year:

Year Ended	Percentage
2022	2.41%
2021	2.15%
2020	3.67%
2019	3.85%
2018	3.35%

The assets that have been accumulated do not meet the definition of a trust as defined in GASB Statement 75 to pay related benefits, as the assets are not irrevocable. The Authority funds OPEB benefits on a pay-as-you-go basis and contributions are not actuarially determined. Therefore, the required supplementary information related to actuarially determined contributions for the last 10 fiscal years is not applicable.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2022

Assets	Battery Park City Authority	Battery Park City Parks Conservancy	Total
Current assets:			
Bank deposits	$ 232,106	14,892	246,998
Investments	14,021,549	—	14,021,549
Restricted assets:			
Lease receivable	5,618,986	—	5,618,986
Accrued interest receivable	21,152,960	—	21,152,960
Rents and other receivables (net of allowance for doubtful accounts of $16,443,757)	8,753,321	—	8,753,321
2003 General Bond Resolution Funds	286,463,327	—	286,463,327
2013 Revenue Bond Resolution Funds	7,483,720	—	7,483,720
2019 Revenue Bond Resolution Funds	22,167,831	—	22,167,831
Bond resolution fund receivables	—	—	—
Accrued pension asset	2,672,048	—	2,672,048
Corporate-designated, escrowed, and OPEB funds	8,902,304	—	8,902,304
Total current assets	377,468,152	14,892	377,483,044
Noncurrent assets:			
Restricted assets:			
Lease receivable	1,741,147,666	—	1,741,147,666
2003 General Bond Resolution Funds	32,524,723	—	32,524,723
2013 Revenue Bond Resolution Funds	2,609,643	—	2,609,643
2019 Revenue Bond Resolution Funds	13,685,457	—	13,685,457
Residential lease required funds	28,735,403	—	28,735,403
Corporate-designated, escrowed, and OPEB funds	117,044,535	—	117,044,535
Fair value of interest rate swaps	30,312,376	—	30,312,376
Battery Park City project assets – at cost, less accumulated depreciation	556,481,932	—	556,481,932
Other assets	18,323,994	—	18,323,994
Total noncurrent assets	2,540,865,729	—	2,540,865,729
Total assets	2,918,333,881	14,892	2,918,348,773
Deferred Outflows of Resources			
Deferred pension outflows	5,922,029	—	5,922,029
Deferred OPEB outflows	5,928,687	—	5,928,687
Unamortized loss on extinguishment of bonds	11,934,609	—	11,934,609
Deferred costs of refunding, less accumulated amortization of $20,077,336	59,937,122	—	59,937,122
Total deferred outflows of resources	83,722,447	—	83,722,447
Total assets and deferred outflows of resources	$ 3,002,056,328	14,892	3,002,071,220

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2022

Liabilities		**Battery Park City Authority**	**Battery Park City Parks Conservancy**	**Total**
Current liabilities:				
Accrued interest on bonds	$	11,012,459	—	11,012,459
Accounts payable and other liabilities		5,501,071	—	5,501,071
Lease liability		1,372,092	—	1,372,092
Accrued interest payable		33,207	—	33,207
Due to the City of New York		170,428,646	—	170,428,646
Due to the Port Authority of New York & New Jersey		869,381	—	869,381
Unearned revenue:				
PILOT revenue		44,715,832	—	44,715,832
Base rent and other revenue		6,313,809	—	6,313,809
Security and other deposits		4,738	—	4,738
2013 Revenue Bonds		28,380,000	—	28,380,000
2019 Revenue Bonds		4,400,000	—	4,400,000
Total current liabilities		273,031,235	—	273,031,235
Noncurrent liabilities:				
Unearned revenue:				
Base rent and other revenue		25,376,389	—	25,376,389
Security and other deposits		29,457,716	—	29,457,716
Lease liability		10,731,332	—	10,731,332
OPEB		47,782,000	—	47,782,000
Imputed borrowing		59,937,122	—	59,937,122
Bonds outstanding:				
2013 Revenue Bonds, less accumulated amortization of $25,740,007		176,385,045	—	176,385,045
2019 Revenue Bonds, less accumulated amortization of $8,154,406		706,774,774	—	706,774,774
Total noncurrent liabilities		1,056,444,378	—	1,056,444,378
Total liabilities		1,329,475,613	—	1,329,475,613
Deferred Inflows of Resources				
Deferred lease inflows		1,858,644,620	—	1,858,644,620
Deferred pension inflows		9,519,402	—	9,519,402
Deferred OPEB inflows		6,820,080	—	6,820,080
Accumulated change in fair value of interest rate swaps		30,312,376	—	30,312,376
Total deferred inflows of resources		1,905,296,478	—	1,905,296,478
Net Position (Deficit)				
Net investment in capital assets		37,041,385	—	37,041,385
Restricted:				
Debt service		51,529,525	—	51,529,525
Under bond resolutions and other agreements		88,727,139	—	88,727,139
Unrestricted (deficit)		(410,013,812)	14,892	(409,998,920)
Total net position (deficit)		(232,715,763)	14,892	(232,700,871)
Total liabilities, deferred inflows of resources and net position (deficit)	$	3,002,056,328	14,892	3,002,071,220

See accompanying independent auditors' report.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2021 (restated)

Assets		**Battery Park City Authority**	**Battery Park City Parks Conservancy**	**Total**
Current assets:				
Bank deposits	$	24,043	34,392	58,435
Investments		11,894,927	—	11,894,927
Restricted assets:				
Lease receivable		5,389,231	—	5,389,231
Accrued interest receivable		12,299,052	—	12,299,052
Rents and other receivables (net of allowance for doubtful accounts of $11,426,385)		5,263,483	—	5,263,483
2003 General Bond Resolution Funds		260,086,789	—	260,086,789
2009 Revenue Bond Resolution Funds		108,252	—	108,252
2013 Revenue Bond Resolution Funds		8,106,592	—	8,106,592
2019 Revenue Bond Resolution Funds		16,500,777	—	16,500,777
Bond resolution fund receivables		25,705,000	—	25,705,000
Corporate-designated, escrowed, and OPEB funds		1,487,770	—	1,487,770
Total current assets		346,865,916	34,392	346,900,308
Noncurrent assets:				
Restricted assets:				
Lease receivable		1,687,341,581	—	1,687,341,581
2003 General Bond Resolution Funds		34,659,520	—	34,659,520
2013 Revenue Bond Resolution Funds		2,420,998	—	2,420,998
2019 Revenue Bond Resolution Funds		42,147,933	—	42,147,933
Residential lease required funds		29,780,125	—	29,780,125
Corporate-designated, escrowed, and OPEB funds		92,280,988	—	92,280,988
Battery Park City project assets – at cost, less accumulated depreciation		545,657,338	—	545,657,338
Other assets		19,471,093	—	19,471,093
Total noncurrent assets		2,453,759,576	—	2,453,759,576
Total assets		2,800,625,492	34,392	2,800,659,884
Deferred Outflows of Resources				
Deferred pension outflows		7,360,968	—	7,360,968
Deferred OPEB outflows		6,703,894	—	6,703,894
Accumulated change in fair value of interest rate swaps		4,286,718	—	4,286,718
Unamortized loss on extinguishment of bonds		13,233,329	—	13,233,329
Deferred costs of refunding, less accumulated amortization of $13,878,045		66,136,413	—	66,136,413
Total deferred outflows of resources		97,721,322	—	97,721,322
Total assets and deferred outflows of resources	$	2,898,346,814	34,392	2,898,381,206

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2021 (restated)

Liabilities		Battery Park City Authority	Battery Park City Parks Conservancy	Total
Current liabilities:				
Accrued interest on bonds	$	11,540,436	—	11,540,436
Accounts payable and other liabilities		10,384,608	—	10,384,608
Accrued pension payable		30,221	—	30,221
Lease liability		1,269,636	—	1,269,636
Accrued interest payable		47,885	—	47,885
Due to the City of New York		178,407,943	—	178,407,943
Due to the City of New York - 2010 Agreement		1,968,068	—	1,968,068
Due to the Port Authority of New York & New Jersey		869,381	—	869,381
Unearned revenue:				
PILOT revenue		41,374,383	—	41,374,383
Base rent and other revenue		22,595,283	—	22,595,283
Security and other deposits		4,738	—	4,738
2013 Revenue Bonds		27,015,000	—	27,015,000
2019 Revenue Bonds		4,235,000	—	4,235,000
Bond resolution fund payables		640,817	—	640,817
Total current liabilities		300,383,399	—	300,383,399
Noncurrent liabilities:				
Unearned revenue:				
Base rent and other revenue		15,293,948	—	15,293,948
Security and other deposits		29,434,255	—	29,434,255
Lease liability		12,003,788	—	12,003,788
OPEB		45,492,997	—	45,492,997
Fair value of interest rate swaps		4,286,718	—	4,286,718
Imputed borrowing		66,136,413	—	66,136,413
Bonds outstanding:				
2013 Revenue Bonds, less accumulated amortization of $22,908,336		207,596,716	—	207,596,716
2019 Revenue Bonds, less accumulated amortization of $5,637,134		713,692,046	—	713,692,046
Total noncurrent liabilities		1,093,936,881	—	1,093,936,881
Total liabilities		1,394,320,280	—	1,394,320,280
Deferred Inflows of Resources				
Deferred lease inflows		1,844,074,040	—	1,844,074,040
Deferred pension inflows		9,078,009	—	9,078,009
Deferred OPEB inflows		5,987,345	—	5,987,345
Total deferred inflows of resources		1,859,139,394	—	1,859,139,394
Net Position (Deficit)				
Net investment in capital assets		28,703,435	—	28,703,435
Restricted:				
Debt service		21,041,583	—	21,041,583
Under bond resolutions and other agreements		73,146,938	—	73,146,938
Unrestricted (deficit)		(478,004,816)	34,392	(477,970,424)
Total net position (deficit)		(355,112,860)	34,392	(355,078,468)
Total liabilities, deferred inflows of resources and net position (deficit)	$	2,898,346,814	34,392	2,898,381,206

See accompanying independent auditors' report.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Other Supplementary Information – Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended October 31, 2022

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Operating revenues:				
Revenues from ground leases:				
Base rent	$ 45,327,413	—	—	45,327,413
Supplemental rent	1,127	—	—	1,127
Payments in lieu of real estate taxes	270,918,014	—	—	270,918,014
Lease interest and other revenue	79,793,631	5,500	(25,000)	79,774,131
Total operating revenues	396,040,185	5,500	(25,000)	396,020,685
Operating expenses:				
Wages and related benefits	16,386,257	—	—	16,386,257
OPEB	5,043,914	—	—	5,043,914
Other operating and administrative expenses	32,175,076	25,000	(25,000)	32,175,076
Depreciation of project assets	10,671,301	—	—	10,671,301
Other depreciation and amortization	2,179,117	—	—	2,179,117
Total operating expenses	66,455,665	25,000	(25,000)	66,455,665
Operating income (loss)	329,584,520	(19,500)	—	329,565,020
Nonoperating revenues (expenses):				
Investment income on funds relating to:				
2003 Revenue Bonds	1,754,311	—	—	1,754,311
Corporate-designated, escrowed, and OPEB funds	1,199,888	—	—	1,199,888
Realized and unrealized (losses)	(9,532,492)	—	—	(9,532,492)
Other revenue	429,088	—	—	429,088
Interest expense relating to:				
2003 Swap agreements – net expense	(8,887,744)	—	—	(8,887,744)
2003 Revenue Bonds	(11,725)	—	—	(11,725)
2013 Revenue Bonds	(6,050,378)	—	—	(6,050,378)
2019 Revenue Bonds	(13,949,517)	—	—	(13,949,517)
Loss on extinguishment from debt	(1,298,720)	—	—	(1,298,720)
Lease interest expense	(414,783)	—	—	(414,783)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts	(170,425,351)	—	—	(170,425,351)
Total nonoperating expenses	(207,187,423)	—	—	(207,187,423)
Change in net position (deficit)	122,397,097	(19,500)	—	122,377,597
Net position (deficit), beginning of year	(355,112,860)	34,392	—	(355,078,468)
Net position (deficit), end of year	$ (232,715,763)	14,892	—	(232,700,871)

See accompanying independent auditors' report.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Other Supplementary Information – Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended October 31, 2021 (restated)

	Battery Park City Authority	**Battery Park City Parks Conservancy**	**Eliminations**	**Total**
Operating revenues:				
Revenues from ground leases:				
Base rent	$ 48,611,386	—	—	48,611,386
Payments in lieu of real estate taxes	283,446,304	—	—	283,446,304
Lease interest and other revenue	71,625,730	—	—	71,625,730
Total operating revenues	403,683,420	—	—	403,683,420
Operating expenses:				
Wages and related benefits	16,470,652	—	—	16,470,652
OPEB	3,597,470	—	—	3,597,470
Other operating and administrative expenses	36,719,331	—	—	36,719,331
Depreciation of project assets	10,359,704	—	—	10,359,704
Other depreciation and amortization	1,946,278	—	—	1,946,278
Total operating expenses	69,093,435	—	—	69,093,435
Operating income	334,589,985	—	—	334,589,985
Nonoperating revenues (expenses):				
Investment income on funds relating to:				
2003 Revenue Bonds	1,194,180	—	—	1,194,180
Corporate-designated, escrowed, and OPEB funds	1,246,408	—	—	1,246,408
Realized and unrealized (losses)	(3,337,710)	—	—	(3,337,710)
Other revenue	3,722,868	—	—	3,722,868
Interest expense relating to:				
2003 Swap agreements – net expense	(11,438,456)	—	—	(11,438,456)
2003 Revenue Bonds	(11,725)	—	—	(11,725)
2013 Revenue Bonds	(7,396,978)	—	—	(7,396,978)
2019 Revenue Bonds	(10,807,755)	—	—	(10,807,755)
Loss on extinguishment from debt	(1,298,720)	—	—	(1,298,720)
Lease interest expense	(339,432)	—	—	(339,432)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts	(178,404,727)	—	—	(178,404,727)
Provision for transfer to the City of New York per 2010 agreement	(1,968,068)	—	—	(1,968,068)
Provision for transfer to the City of New York - West Thames St Pedestrian Bridge	(1,219,099)	—	—	(1,219,099)
Total nonoperating expenses	(210,059,214)	—	—	(210,059,214)
Change in net position (deficit)	124,530,771	—	—	124,530,771
Net position (deficit), beginning of year	(479,643,631)	34,392	—	(479,609,239)
Net position (deficit), end of year	$ (355,112,860)	34,392	—	(355,078,468)

See accompanying independent auditors' report.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2022

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Cash flows from operating activities:				
Cash receipts from:				
Tenant payments	$ 335,976,568	—	—	335,976,568
Miscellaneous receipts	759,085	5,500	—	764,585
Total cash receipts from operating activities	336,735,653	5,500	—	336,741,153
Cash payments for:				
Salaries and benefits	(18,306,299)	—	—	(18,306,299)
Services and supplies	(29,326,043)	(25,000)	—	(29,351,043)
Total cash payments for operating activities	(47,632,342)	(25,000)	—	(47,657,342)
Net cash provided by (used in) operating activities	289,103,311	(19,500)	—	289,083,811
Cash flows from noncapital financing activities:				
Payments to the City of New York	(180,369,499)	—	—	(180,369,499)
Net cash used in noncapital financing activities	(180,369,499)	—	—	(180,369,499)
Cash flows from capital and related financing activities:				
Development costs – site improvements and construction	(24,340,631)	—	—	(24,340,631)
Capital asset expenditures	(304,481)	—	—	(304,481)
Auction fees for variable debt	(11,725)	—	—	(11,725)
Swap payment made on the 2003 Swap agreement	(9,805,183)	—	—	(9,805,183)
Swap interest payments received on the 2003 Swap agreement	253,052	—	—	253,052
Interest paid on 2013 Senior Revenue Bonds	(9,555,350)	—	—	(9,555,350)
Principal paydown on 2013 Senior Revenue Bonds	(27,015,000)	—	—	(27,015,000)
Interest paid on 2019 Senior Revenue Bonds	(10,755,371)			(10,755,371)
Interest paid on 2019 Junior Revenue Bonds	(3,459,535)	—	—	(3,459,535)
Principal paydown on 2019 Junior Revenue Bonds	(4,235,000)			(4,235,000)
Remarketing fees for Series 2019D	(147,360)	—	—	(147,360)
Bond purchase agreement fees for Series 2019D	(1,298,056)	—	—	(1,298,056)
Interest paid on lease liability	(414,783)	—	—	(414,783)
Principal paid on lease liability	(1,515,240)	—	—	(1,515,240)
Net cash used in capital and related financing activities	(92,604,663)	—	—	(92,604,663)
Cash flows from investing activities:				
Interest and realized gains received on investment securities	3,768,648	—	—	3,768,648
Maturities and redemptions of investment securities	539,830,517	—	—	539,830,517
Purchases of investment securities	(408,628,667)	—	—	(408,628,667)
Net cash provided by investing activities	134,970,498	—	—	134,970,498
Increase (decrease) in cash and cash equivalents	151,099,647	(19,500)	—	151,080,147
Cash and cash equivalents, beginning of year	74,309,649	34,392	—	74,344,041
Cash and cash equivalents, end of year	$ 225,409,296	14,892	—	225,424,188

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2022

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 329,584,520	(19,500)	—	329,565,020
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Provision for bad debt expense	5,017,372	—	—	5,017,372
Depreciation and amortization	12,850,418	—	—	12,850,418
Other	(8,800)	—	—	(8,800)
Changes in operating assets and liabilities:				
(Increase) in lease receivables	(54,035,840)	—	—	(54,035,840)
(Increase) in accrued interest receivables	(8,853,908)	—	—	(8,853,908)
(Increase) in pension asset	(2,672,048)	—	—	(2,672,048)
(Increase) in rents and other receivables	(8,674,778)	—	—	(8,674,778)
(Increase) in other assets	(446,378)	—	—	(446,378)
Increase in accounts payable and other liabilities	52,701	—	—	52,701
(Decrease) in pension liability	(30,221)	—	—	(30,221)
(Decrease) in lease liability	(1,170,000)	—	—	(1,170,000)
(Decrease) in deferred revenue	(2,857,584)	—	—	(2,857,584)
Increase in OPEB	2,289,003	—	—	2,289,003
Changes in deferred resources:				
Deferred lease resources	14,570,580	—	—	14,570,580
Deferred pension resources	1,880,332	—	—	1,880,332
Deferred OPEB resources	1,607,942	—	—	1,607,942
Net cash provided by (used in) operating activities	$ 289,103,311	(19,500)	—	289,083,811
Reconciliation to cash and cash equivalents, end of year:				
Bank deposits	$ 232,106	14,892	—	246,998
Cash and cash equivalents	44,772,227	—	—	44,772,227
Investments with less than 91-day maturities	180,404,963	—	—	180,404,963
Cash and cash equivalents, end of year	$ 225,409,296	14,892	—	225,424,188

See accompanying independent auditors' report.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2021 (restated)

		Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Cash flows from operating activities:					
Cash receipts from:					
Tenant payments	$	338,190,066	—	—	338,190,066
Miscellaneous receipts		2,073,545	—	—	2,073,545
Total cash receipts from operating activities		340,263,611	—	—	340,263,611
Cash payments for:					
Salaries and benefits		(17,754,130)	—	—	(17,754,130)
Services and supplies		(27,247,614)	—	—	(27,247,614)
Total cash payments for operating activities		(45,001,744)	—	—	(45,001,744)
Net cash provided by operating activities		295,261,867	—	—	295,261,867
Cash flows from noncapital financing activities:					
Payments from LMDC West Thames St Pedestrian Bridge		4,723,427	—	—	4,723,427
Payments to NYC EDC - West Thames St Pedestrian Bridge		(5,394,458)	—	—	(5,394,458)
Payments to the City of New York		(229,755,710)	—	—	(229,755,710)
Receipts from FEMA		3,289,203	—	—	3,289,203
Net cash used in noncapital financing activities		(227,137,538)	—	—	(227,137,538)
Cash flows from capital and related financing activities:					
Development costs – site improvements and construction		(23,667,134)	—	—	(23,667,134)
Capital asset expenditures		(639,959)	—	—	(639,959)
Receipts for capital projects		1,366,891	—	—	1,366,891
Auction fees for variable debt		(11,725)	—	—	(11,725)
Swap payment made on the 2003 Swap agreement		(11,465,336)	—	—	(11,465,336)
Swap interest payments received on the 2003 Swap agreement		29,645	—	—	29,645
Interest paid on 2013 Senior Revenue Bonds		(10,868,525)	—	—	(10,868,525)
Principal paydown on 2013 Senior Revenue Bonds		(25,735,000)	—	—	(25,735,000)
Interest paid on 2019 Senior Revenue Bonds		(10,755,371)	—	—	(10,755,371)
Interest paid on 2019 Junior Revenue Bonds		(1,139,884)	—	—	(1,139,884)
Principal paydown on 2019 Junior Revenue Bonds		(4,050,000)	—	—	(4,050,000)
Remarketing fees for Series 2019D		(148,662)	—	—	(148,662)
Bond purchase agreement fees for Series 2019D		(1,310,324)	—	—	(1,310,324)
Interest paid on lease liability		(339,432)	—	—	(339,432)
Net cash used in capital and related financing activities		(88,734,816)	—	—	(88,734,816)
Cash flows from investing activities:					
Interest and realized gains received on investment securities		2,508,376	—	—	2,508,376
Maturities and redemptions of investment securities		841,780,525	—	—	841,780,525
Purchases of investment securities		(865,483,557)	—	—	(865,483,557)
Net cash used in investing activities		(21,194,656)	—	—	(21,194,656)
Decrease in cash and cash equivalents		(41,805,143)	—	—	(41,805,143)
Cash and cash equivalents, beginning of year		116,114,792	34,392	—	116,149,184
Cash and cash equivalents, end of year	$	74,309,649	34,392	—	74,344,041

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2021 (restated)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 334,589,985	—	—	334,589,985
Adjustments to reconcile operating income to net cash provided by operating activities:				
Provision for bad debt expense	9,186,010	—	—	9,186,010
Depreciation and amortization	12,305,982	—	—	12,305,982
Other	270,708	—	—	270,708
Changes in operating assets and liabilities:				
Decrease in lease receivables	9,132,220	—	—	9,132,220
(Increase) in accrued interest receivables	(12,299,052)	—	—	(12,299,052)
(Increase) in rents and other receivables	(8,028,066)	—	—	(8,028,066)
Decrease in other assets	207,227	—	—	207,227
(Decrease) in lease liability	(502,346)	—	—	(502,346)
Increase in accounts payable and other liabilities	282,031	—	—	282,031
(Decrease) in pension liability	(7,765,953)	—	—	(7,765,953)
(Decrease) in deferred revenue	(7,895,017)	—	—	(7,895,017)
Increase in OPEB	7,129,997	—	—	7,129,997
Changes in deferred resources:				
Deferred lease resources	(44,093,068)	—	—	(44,093,068)
Deferred pension resources	7,306,048	—	—	7,306,048
Deferred OPEB resources	(4,564,839)	—	—	(4,564,839)
Net cash provided by operating activities	$ 295,261,867	—	—	295,261,867
Reconciliation to cash and cash equivalents, end of year:				
Bank deposits	$ 24,043	34,392	—	58,435
Cash and cash equivalents	37,887,337	—	—	37,887,337
Investments with less than 91-day maturities	36,398,269	—	—	36,398,269
Cash and cash equivalents, end of year	$ 74,309,649	34,392	—	74,344,041

See accompanying independent auditors' report.