Hugh L. Carey Battery Park City Authority
Meeting of the Audit & Finance Committee
200 Liberty Street, 24th floor
New York, New York 10281
September 10, 2024
1:30 p.m.

AGENDA

I. CALL TO ORDER

II. APPROVAL OF THE MARCH 21, 2024 MINUTES

III. REVIEW OF THE APRIL 30, 2024, FINANCIAL STATEMENTS

IV. PRE-AUDIT PRESENTATION FOR THE YEAR ENDED OCTOBER 31, 2024

V. MOTION TO ADJOURN

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

Financial Statements

April 30, 2024 and 2023 (Unaudited)

(With Independent Auditors' Review Report Thereon)

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HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

April 30, 2024 and 2023 (Unaudited)

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of
Hugh L. Carey Battery Park City Authority
New York, NY

Results of Review of Interim Financial Information

We have reviewed the accompanying financial statements of Hugh L. Carey Battery Park City Authority (the "Authority"), a component unit of the State of New York, which comprise the statements of net position (deficit) as of April 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position (deficit) and cash flows for the six-month periods then ended, and the related notes (collectively referred to as the "interim financial information.")

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America ("GAAS") applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion.

We are required to be independent of the Authority and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to our reviews. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with U.S. GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Required Supplementary Information

Our reviews were made primarily for the purpose of obtaining a basis for reporting whether we are aware of any material modifications that should be made to the interim financial information in order for it to be in conformity with U.S. GAAP through performing limited procedures. U.S. GAAP requires that the management's discussion and analysis on pages 3 through 19, the schedule of the Authority's proportionate share of the net pension liability on page 63, the schedule of employer contributions on page 64, and the schedule of changes in total OPEB liability and related ratios on page 65, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information has not been subjected to the limited procedures applied in the reviews of the interim financial information. We have not audited or reviewed the information and, accordingly, we do not express an opinion or provide any assurance on it.

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Supplementary Information

Our reviews were made primarily for the purpose of obtaining a basis for reporting whether we are aware of any material modifications that should be made to the interim financial information in order for it to be in conformity with U.S. GAAP through performing limited procedures. The accompanying supplementary information on pages 66 through 75, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the interim financial information. The supplementary information has been subjected to the limited procedures applied in the reviews of the interim financial information, and we did not become aware of any material modifications that should be made to such information.

New York, NY
September XX, 2024

[1] *In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.*

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 six-month periods ended April 30, 2024 and 2023. 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 the Conservancy have been eliminated. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Comparison of 2024 to 2023 and 2023 to 2022

Financial Highlights – 2024

- The six-month period ended April 30, 2024 yielded a total of $208.3 million in operating revenues, representing an increase of $4.5 million or 2.2% compared to the six-month period ended April 30, 2023. Payments in lieu of real estate taxes ("PILOT") revenue totaling $145.9 million (70% of the Authority's operating revenues for the six-month period ended April 30, 2024), increased $5.5 million or 3.9% compared to the six-month period ended April 30, 2023. Base rent increased $1.5 million or 6.8% to $23.9 million for the six-month period ended April 30, 2024. Lease interest and other revenue decreased $2.6 million or 6.3% to $38.5 million for the six-month period ended April 30, 2024. Total operating expenses increased $50 thousand or 0.2% to $30.6 million for the six-month period ended April 30, 2024.
- A transfer of $174.4 million was made in May 2024 to the City of New York (the "City") to fulfill the annual obligation under the Settlement Agreement for the fiscal year ended October 31, 2023. An $84.9 million provision was recorded representing a portion of the PILOT estimated for fiscal year 2024 excess revenues that was charged to nonoperating expense for the six-month period ended April 30, 2024 (see note 14), an increase of $2.1 million as compared to the six-month period ended April 30, 2023.
- As of April 30, 2024, $337.5 million remained in the Project Cost funds to be used for resiliency, certain infrastructure uses and other capital purposes (see note 8), as compared to $40.5 million as of April 30, 2023. The increase was derived from the 2023 bond issuance proceeds.

Financial Highlights – 2023

- The six-month period ended April 30, 2023 yielded a total of $203.8 million in operating revenues, representing an increase of $8.7 million or 4.5% compared to the six-month period ended April 30, 2022. PILOT revenue totaling $140.4 million (69% of the Authority's operating revenues for the six-month period ended April 30, 2023), increased $8.5 million or 6.4% compared to the six-month period ended April 30, 2022. Base rent decreased $33 thousand or 0.2% to $22.4 million for the six-month period ended April 30, 2023. Lease interest and other revenue increased $322 thousand or 0.8% to $41.1 million for the six-month period ended April 30, 2023. Total operating expenses decreased $383 thousand or 1.2% to $30.5 million for the six-month period ended April 30, 2023.
- An $82.8 million provision was recorded representing a portion of the PILOT estimated for fiscal year 2023 excess revenues that was charged to nonoperating expense for the six-month period ended April 30, 2023, an increase of $1.4 million as compared to the six-month period ended April 30, 2022.

- As of April 30, 2023, $40.5 million remained in the Project Cost funds to be used for certain park, street, other infrastructure improvements, and other capital expenditures, as compared to $54.9 million as of April 30, 2022.

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 April 30, 2024, 2023 and 2022 is as follows:

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		April 30		2024 vs	2023 vs
	2024	2023	2022	2023	2022
Assets:					
Bank deposits, investments and rents and other receivables	$ 18,851,007	21,963,963	13,445,031	(3,112,956)	8,518,932
Bond resolution restricted assets (current and noncurrent)	738,609,710	431,683,768	480,390,112	306,925,942	(48,706,344)
Battery Park City project assets, net	669,844,773	568,250,705	554,075,755	101,594,068	14,174,950
Lease and accrued interest receivables	1,752,606,263	1,769,618,907	1,735,601,297	(17,012,644)	34,017,610
Other current and noncurrent assets	280,034,635	239,355,846	153,754,056	40,678,789	85,601,790
Total assets	3,459,946,388	3,030,873,189	2,937,266,251	429,073,199	93,606,938
Deferred Outflows of Resources:					
Deferred pension outflows	5,395,721	5,922,029	7,360,968	(526,308)	(1,438,939)
Deferred OPEB outflows	4,138,488	4,942,094	5,797,273	(803,606)	(855,179)
Unamortized loss on extinguishment of bonds	-	11,285,249	12,583,969	(11,285,249)	(1,298,720)
Deferred costs of refunding, less accumulated amortization	-	56,837,477	63,036,768	(56,837,477)	(6,199,291)
Total deferred outflows of resources	9,534,209	78,986,849	88,778,978	(69,452,640)	(9,792,129)
Total assets and deferred outflows of resources	$ 3,469,480,597	3,109,860,038	3,026,045,229	359,620,559	83,814,809
Liabilities:					
Current liabilities	$ 416,760,219	367,703,609	368,236,532	49,056,610	(532,923)
Long-term liabilities	1,264,392,945	1,002,331,201	1,064,825,028	262,061,744	(62,493,827)
Total liabilities	1,681,153,164	1,370,034,810	1,433,061,560	311,118,354	(63,026,750)
Deferred Inflows of Resources:					
Deferred lease inflows	1,772,511,030	1,836,012,048	1,850,810,901	(63,501,018)	(14,798,853)
Deferred pension inflows	704,638	9,519,402	9,078,009	(8,814,764)	441,393
Deferred OPEB inflows	17,440,491	17,741,117	7,365,384	(300,626)	10,375,733
Accumlated change in fair value of interest rate swaps	-	22,018,440	19,569,514	(22,018,440)	2,448,926
Unamortized gain on extinguishment of bonds	10,942,733	-	-	10,942,733	-
Total deferred inflows of resources	1,801,598,892	1,885,291,007	1,886,823,808	(83,692,115)	(1,532,801)
Total liabilities and deferred inflows of resources	3,482,752,056	3,255,325,817	3,319,885,368	227,426,239	(64,559,551)
Net Position (Deficit):					
Net investment in capital assets	265,863,903	64,975,637	41,954,664	200,888,266	23,020,973
Restricted	229,588,789	150,845,860	107,752,712	78,742,929	43,093,148
Unrestricted	(508,724,151)	(361,287,276)	(443,547,515)	(147,436,875)	82,260,239
Total net deficit	(13,271,459)	(145,465,779)	(293,840,139)	132,194,320	148,374,360
Total liabilities, deferred inflows of resources and net position (deficit)	$ 3,469,480,597	3,109,860,038	3,026,045,229	359,620,559	83,814,809

Assets and Deferred Outflows of Resources

2024 vs. 2023

At April 30, 2024, the Organization maintained total assets and deferred outflows of resources of approximately $3.47 billion, approximately $359.6 million higher than $3.11 billion at April 30, 2023, due to the proceeds of the Authority's bond issuance in August 2023.

2023 vs. 2022

At April 30, 2023, the Organization maintained total assets and deferred outflows of resources of approximately $3.11 billion, approximately $83.8 million higher than $3.03 billion at April 30, 2022.

Bank Deposits, Investments, Rents and Other Receivables

2024 vs. 2023

Bank deposits, investments, and rents and other receivables held at April 30, 2024 decreased $3.1 million over April 30, 2023. Bank deposits and investments decreased by $1.2 million as a result of the decrease in the unpledged revenue fund account. Rents and other receivables decreased by $1.9 million, consisting of an increase in total rental receivables of $2.0 million, which was offset by an increase in the allowance for doubtful accounts of $3.9 million.

2023 vs. 2022

Bank deposits, investments, and rents and other receivables held at April 30, 2023 increased $8.5 million over April 30, 2022. Bank deposits and investments increased by $3.5 million as a result of the increase in the unpledged revenue fund account. Rents and other receivables increased by $5.0 million, primarily due to an overall increase in total rental receivables.

Bond Resolution Restricted Assets

2024 vs. 2023

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions and the 2013, 2019 and 2023 Revenue Bond Resolutions. Such assets of $738.6 million at April 30, 2024 were $306.9 million higher than the fair value of assets held at April 30, 2023 of $431.7 million (see note 8) due to the unused bond proceeds of the 2023 bond issuance.

Funds held in the Pledged Revenue Fund of $66.4 million at April 30, 2024 were $5.6 million less than funds held at April 30, 2023.

Funds held in the Debt Service Funds of $137.6 million at April 30, 2024 were $55.3 million more than funds at April 30, 2023.

Funds held in the Project Operating Fund of $20.6 million at April 30, 2024 were $8.6 million higher than funds at April 30, 2023.

Funds held in the Residual Fund for payment to the City of $176.5 million at April 30, 2024 were $4.2 million higher than funds held at April 30, 2023.

Funds held under the resolution for project infrastructure and certain other asset costs were $337.5 million as of April 30, 2024, or $297.0 million more than April 30, 2023, due to the 2023 bond issuance proceeds.

As of April 30, 2024, there were no remaining funds held in the Reserve Fund as there was no longer a requirement and these funds were used as part of the refunding of the Series 2019E and a portion of the Series 2019D1 and D2 bonds in 2023.

2023 vs. 2022

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions, the 2009, 2013, 2019 Revenue Bond Resolutions and the 2023 Revolving Line of Credit. Such assets of $431.7 million at April 30, 2023 were $48.7 million lower than the fair value of assets held at April 30, 2022 of $480.4 million.

Funds held in the Pledged Revenue Fund of $72.0 million at April 30, 2023 were $1.2 million less than funds held at April 30, 2022.

Funds held in the Debt Service Funds of $82.3 million at April 30, 2023 were $6.3 million less than funds at April 30, 2022.

Funds held in the Project Operating Fund of $12.0 million at April 30, 2023 were $1.3 million higher than funds at April 30, 2022.

Funds held in the Residual Fund for payment to the City of $172.2 million at April 30, 2023 were $47.5 million lower than funds held at April 30, 2022.

Funds held under the resolution for project infrastructure and certain other asset costs were $40.5 million as of April 30, 2023, or $14.4 million less than April 30, 2022.

Funds held in the Reserve Fund of $33.5 million at April 30, 2023 were $238 thousand higher than funds at April 30, 2022.

Lease and Accrued Interest Receivables

2024 vs 2023

For the six-month period ended April 30, 2024, lease receivables, including an increase in accrued interest of $8.6 million, were recognized in accordance with GASB 87. Such assets of $1.75 billion at April 30, 2024 were $17.0 million lower than the value of assets held at April 30, 2023 of $1.77 billion (see note 15b).

2023 vs 2022

For the six-month period ended April 30, 2023, lease receivables, including an increase in accrued interest of $9.0 million, were recognized in accordance with GASB 87. Such assets of $1.77 billion at April 30, 2023 were $34.0 million higher than the value of assets held at April 30, 2022 of $1.74 billion.

Project Assets

At April 30, 2024, the Authority's investment in project assets, net of accumulated depreciation was $669.8 million, an increase of $101.6 million over April 30, 2023. The Battery Park City project ("Project") consists of approximately 92 acres of land created, owned, leased, and operated by the Authority. The Project's site is fully developed and includes approximately 36 acres of parks and public open space and approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, two museums, five public schools, a public library, and approximately 8,300 rental and condominium 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 in 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 April 30, 2024, 2023, and 2022 were as follows:

		April 30			2024 vs	2023 vs
		2024	**2023**	**2022**	**2023**	**2022**
Land	$	83,015,653	83,015,653	83,015,653	-	-
Site improvements		506,245,521	496,385,485	487,104,868	9,860,036	9,280,617
Residential building and condominium units		147,211,386	147,058,282	146,422,640	153,104	635,642
Construction in progress		144,815,016	42,333,030	27,248,514	102,481,986	15,084,516
		881,287,576	768,792,450	743,791,675	112,495,126	25,000,775
Less: accumulated depreciation		(211,442,803)	(200,541,745)	(189,715,920)	(10,901,058)	(10,825,825)
Total Battery Park City project assets	$	669,844,773	568,250,705	554,075,755	101,594,068	14,174,950

2024 vs. 2023

For the six-month period ended April 30, 2024, the increase to site improvements relates to the wayfinding and signage program, Community Center waterproofing and leak remediation, and other capital improvements. The increase in construction in progress largely reflects investments in resiliency capital improvements.

2023 vs. 2022

For the six-month period ended April 30, 2023, the increase to site improvements relates to the restoration of piles, Community Center leak remediation, Police Memorial redesign, and other minor capital improvements. The increase in construction in progress largely reflects investments in resiliency capital improvements.

Other Current and Noncurrent Assets

Other current and noncurrent assets at April 30, 2024, 2023, and 2022 were as follows:

	April 30			2024 vs	2023 vs
	2024	2023	2022	2023	2022
Residential lease required funds	$ 31,405,312	29,326,134	28,709,936	2,079,178	616,198
Corporate-designated, escrowed and OPEB funds	235,457,252	171,063,876	89,242,306	64,393,376	81,821,570
Fair value of interest rate swaps	-	22,018,440	19,569,514	(22,018,440)	2,448,926
Other assets	13,172,071	16,947,396	16,232,300	(3,775,325)	715,096
Total other current and noncurrent assets	$ 280,034,635	239,355,846	153,754,056	40,678,789	85,601,790

2024 vs. 2023

Total other current and noncurrent assets increased $40.7 million from $239.4 million at April 30, 2023 to $280.0 million at April 30, 2024.

Residential lease required funds, which include security deposits held for condominium buildings, increased by $2.1 million.

Overall, corporate-designated, escrowed, and OPEB funds increased $64.4 million from April 30, 2023, primarily due to the increase in the Joint Purpose Fund.

The Authority terminated its swaps in June 2023, resulting in the elimination of the swap fair value asset, imputed borrowing liability and the accumulated change in fair value deferred inflow resource.

Other assets decreased $3.8 million from April 30, 2023.

2023 vs. 2022

Total other current and noncurrent assets increased $85.6 million from $153.8 million at April 30, 2022 to $239.4 million at April 30, 2023.

Residential lease required funds, which include security deposits held for condominium buildings, increased by $617 thousand.

Overall, corporate-designated, escrowed, and OPEB funds increased $81.8 million from April 30, 2022, primarily due to the increase in the Joint Purpose Fund.

The fair value of interest rate swaps had a positive fair value of $22.0 million and $19.6 million at April 30, 2023 and 2022, respectively.

Other assets increased by $715 thousand to $16.9 million at April 30, 2023 from $16.2 million at April 30, 2022.

Deferred Outflows of Resources

Deferred outflows of resources at April 30, 2024, 2023 and 2022 were as follows:

		April 30			2024 vs	2023 vs
		2024	**2023**	**2022**	**2023**	**2022**
Deferred pension outflows	$	5,395,721	5,922,029	7,360,968	(526,308)	(1,438,939)
Deferred OPEB outflows		4,138,488	4,942,094	5,797,273	(803,606)	(855,179)
Unamortized loss on extinguishment of bonds		-	11,285,249	12,583,969	(11,285,249)	(1,298,720)
Deferred costs of refunding, less accumulated amortization		-	56,837,477	63,036,768	(56,837,477)	(6,199,291)
Total deferred outflows of Resources	$	9,534,209	78,986,849	88,778,978	(69,452,640)	(9,792,129)

2024 vs. 2023

The $5.4 million at April 30, 2024 represents the Authority's portion of the deferred pension outflows from the New York State pension plan (see note 18).

The $4.1 million at April 30, 2024 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") (see note 19).

The deferred costs of refunding and the net deferral of $56.8 million were eliminated as the Authority terminated its swaps in June 2023.

2023 vs. 2022

The $5.9 million at April 30, 2023 represents the Authority's portion of the deferred pension outflows from the New York State pension plan.

The $4.9 million at April 30, 2023 represents the Authority's deferred OPEB outflows resulting from GASB 75.

The unamortized loss on extinguishment of bonds decreased by $1.3 million from April 30, 2022 to April 30, 2023.

The deferred cost of refunding decreased by $6.2 million from April 30, 2022 to April 30, 2023.

Liabilities

Total liabilities at April 30, 2024, 2023 and 2022 were as follows:

		April 30			2024 vs	2023 vs
		2024	2023	2022	2023	2022
Current liabilities:						
Accrued interest on bonds	$	32,898,301	10,318,347	10,887,798	22,579,954	(569,451)
Accounts payable and other liabilities		28,132,152	15,509,253	14,211,128	12,622,899	1,298,125
Accrued pension payable		6,865,272	-	30,221	6,865,272	(30,221)
Lease liability and accrued interest payable		1,443,458	1,426,697	1,384,248	16,761	42,449
Due to the City of New York		259,269,385	253,204,922	259,753,483	6,064,463	(6,548,561)
Due to the State of New York		5,000,000	-	-	5,000,000	-
Due to the City of New York						
2010 Agreement		-	-	1,968,068	-	(1,968,068)
Due to the Port Authority of NY & NJ		869,381	869,381	869,381	-	-
Unearned revenue		53,397,532	50,725,171	46,347,467	2,672,361	4,377,704
Security and other deposits		4,738	4,738	4,738	-	-
2013 Revenue Bonds		-	29,760,000	28,380,000	(29,760,000)	1,380,000
2019 Revenue Bonds		-	4,635,000	4,400,000	(4,635,000)	235,000
2023 Revenue Bonds		28,880,000	-	-	28,880,000	-
2023 Revolver Payable		-	1,250,100	-	(1,250,100)	1,250,100
Total current liabilities		416,760,219	367,703,609	368,236,532	49,056,610	(532,923)
Noncurrent liabilities:						
Unearned revenue		19,464,273	23,334,606	29,544,653	(3,870,333)	(6,210,047)
Security and other deposits		31,627,624	30,048,446	29,432,249	1,579,178	616,197
Lease liability		8,611,461	10,027,564	11,422,971	(1,416,103)	(1,395,407)
OPEB		36,496,279	35,992,761	45,554,096	503,518	(9,561,335)
Imputed borrowing		-	56,837,477	63,036,768	(56,837,477)	(6,199,291)
Bonds outstanding, net:						
2013 Revenue Bonds		-	145,209,209	177,800,881	(145,209,209)	(32,591,672)
2019 Revenue Bonds		384,198,866	700,881,138	708,033,410	(316,682,272)	(7,152,272)
2023 Revenue Bonds		783,994,442	-	-	783,994,442	-
Total noncurrent liabilities		1,264,392,945	1,002,331,201	1,064,825,028	262,061,744	(62,493,827)
Total liabilities	$	1,681,153,164	1,370,034,810	1,433,061,560	311,118,354	(63,026,750)

2024 vs. 2023

The Organization's total liabilities increased $311.1 million from $1.37 billion at April 30, 2023 to $1.68 billion at April 30, 2024.

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

The $311.1 million increase in total liabilities is due to:

- a $22.6 million increase in accrued interest payable on bonds from $10.3 million at April 30, 2023 to $32.9 million at April 30, 2024 due to higher outstanding amounts and higher interest rates.

- a $12.6 million increase in accounts payable and other liabilities from $15.5 million at April 30, 2023 to $28.1 million at April 30, 2024.
- a $1.4 million decrease in lease liability from $11.4 million at April 30, 2023 to $10.0 million at April 30, 2024.
- the liability due to the City includes an $84.9 million provision recorded for the period ended April 30, 2024, representing a portion of the estimated fiscal year 2024 PILOT-related excess revenues and $174.4 million payable from the previous fiscal year ended October 31, 2023, to be transferred to the City in 2024. The $259.3 million due to the City was $6.1 million higher compared to the amount due at April 30, 2023.
- as of April 30, 2024, pursuant to the 2010 Agreement (see note 14), the Authority has fulfilled its obligation. All additional excess funds are accumulated in accordance with the Settlement Agreement.
- a $1.2 million decrease to $72.9 million in unearned revenue from $74.1 million at April 30, 2023, due to revenue of $1.2 million recognized on leases.
- a $1.6 million increase in total security and other deposits to $31.6 million at April 30, 2024. Security deposits are held primarily for condominium leases.
- the Organization had a $36.5 million OPEB liability at April 30, 2024, an increase of $504 thousand from $36.0 million at April 30, 2023.
- a $56.8 million decrease in the imputed borrowing represents the fair value of the bifurcated swaps at the date of refunding. The Authority terminated its swaps in June 2023, resulting in the elimination of the imputed borrowing.
- the Authority refunded all 2013 Revenue Bonds in August 2023.
- a $321.3 million decrease in 2019 Revenue Bonds outstanding resulting from the partial refund of the 2019 Series D and the full refund of the 2019 Series E Junior Bonds totaling $318.8 million (see note 17).
- a $784.0 million increase in 2023 Series A, B and C Revenue Bonds outstanding due to the Authority's bond issuance in August 2023 representing $390.8 million in new proceeds and $471.4 million in refunded bonds (see note 17).
- a $1.3 million decrease in revolver payable, represents the repayment in full of the outstanding revolver. The Authority has no outstanding revolver payable as of April 30, 2024.

2023 vs. 2022

The Organization's total liabilities decreased $63.0 million from $1.43 billion at April 30, 2022 to $1.37 billion at April 30, 2023.

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 and revolver payable, fair value of interest rate swaps, imputed borrowing, accounts payable and other liabilities, accrued pension payable and lease liability and accrued interest payable.

The $63.0 million decrease in total liabilities is due to:

- a $569 thousand decrease in accrued interest payable on bonds from $10.9 million at April 30, 2022 to $10.3 million at April 30, 2023.
- a $1.3 million increase in accounts payable and other liabilities from $14.2 million at April 30, 2022 to $15.5 million at April 30, 2023.
- a $1.4 million decrease in lease liability from $12.8 million at April 30, 2022 to $11.4 million at April 30, 2023.
- the liability due to the City includes an $82.8 million provision recorded for the period ended April 30, 2023, representing approximately half of the estimated fiscal year 2023 PILOT-related excess revenues and $170.4 million payable from the previous fiscal year ended October 31, 2022, to be transferred to the City. The $253.2 million due to the City was $6.5 million lower compared to the amount due at April 30, 2022.
- as of April 30, 2023, pursuant to the 2010 Agreement, the Authority has fulfilled its obligation. All additional excess funds will then be accumulated in accordance with the Settlement Agreement.
- a $1.8 million decrease to $74.1 million in unearned revenue from $75.9 million at April 30, 2022, due to revenue of $1.8 million recognized on leases.
- a $616 thousand increase in total security and other deposits to $30.1 million at April 30, 2023. Security deposits are held for condominiums and not rentals.
- The Organization had a $36.0 million OPEB liability at April 30, 2023, a decrease of $9.6 million from $45.6 million at April 30, 2022.
- 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 $31.2 million decrease in 2013 Revenue Bonds outstanding due to a principal payment of $28.4 million and bond premium amortization of $2.8 million.
- a $6.9 million decrease in 2019 Revenue Bonds outstanding due to a principal payment of $4.3 million and bond premium amortization of $2.6 million.
- a $1.3 million increase in revolver payable, represents the new borrowing vehicle that the Authority entered into during March 2023.

Deferred Inflows of Resources

Deferred inflows of resources at April 30, 2024, 2023, and 2022 were as follows:

	April 30			2024 vs	2023 vs
	2024	**2023**	**2022**	**2023**	**2022**
Deferred Inflows of Resources:					
Deferred lease inflows	$ 1,772,511,030	1,836,012,048	1,850,810,901	(63,501,018)	(14,798,853)
Deferred pension inflows	704,638	9,519,402	9,078,009	(8,814,764)	441,393
Deferred OPEB inflows	17,440,491	17,741,117	7,365,384	(300,626)	10,375,733
Unamortized gain on extinguishment of bonds	10,942,733	-	-	10,942,733	-
Accumulated change in fair value of interest rate swaps	-	22,018,440	19,569,514	(22,018,440)	2,448,926
Total deferred inflows of resources	$ 1,801,598,892	1,885,291,007	1,886,823,808	(83,692,115)	(1,532,801)

2024 vs. 2023

Deferred lease inflows of $1.77 billion at April 30, 2024 represents the Authority's deferred lease inflows resulting from GASB 87 (see note 7). The $63 million change reflects the recognition of revenue over the six-month period ended April 30, 2024.

Deferred pension inflows of $705 thousand at April 30, 2024 represents the Authority's portion of the deferred pension inflows from the New York State pension plan (see note 18).

Deferred OPEB inflows of $17.4 million at April 30, 2024 represents the Authority's deferred OPEB inflows resulting from GASB 75 (see note 19).

The unamortized gain on extinguishment of bonds increased by $10.9 million from April 30, 2023 to April 30, 2024.

The Authority terminated its swaps in June 2023, eliminating the accumulated change in the fair value of interest rate swaps.

2023 vs. 2022

Deferred lease inflows of $1.84 billion at April 30, 2023 represents the Authority's deferred lease inflows resulting from GASB 87.

Deferred pension inflows of $9.5 million at April 30, 2023 represents the Authority's portion of the deferred pension inflows from the New York State pension plan.

Deferred OPEB inflows of $17.7 million at April 30, 2023 represents the Authority's deferred OPEB inflows resulting from GASB 75.

Accumulated change in fair value of interest rate swaps of $22.0 million at April 30, 2023 were $2.5 million more than at April 30, 2022.

Net Position (Deficit)

		April 30			2024 vs	2023 vs
		2024	2023	2022	2023	2022
Net Position (deficit):						
Net investment in capital assets	$	265,863,903	64,975,637	41,954,664	200,888,266	23,020,973
Restricted		229,588,789	150,845,860	107,752,712	78,742,929	43,093,148
Unrestricted		(508,724,151)	(361,287,276)	(443,547,515)	(147,436,875)	82,260,239
Total net position (deficit)	$	(13,271,459)	(145,465,779)	(293,840,139)	132,194,320	148,374,360

2024 vs. 2023

The change in total net position (deficit) from April 30, 2024 represents a positive change in the deficit position of $132.2 million from ($145.5) million at April 30, 2023 to ($13.3) million at April 30, 2024.

Net investment in capital assets was a surplus of $265.9 million and $65.0 million at April 30, 2024 and 2023, 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 $229.6 million of restricted net position at April 30, 2024 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 $508.7 million at April 30, 2024 resulting in part from the cumulative net excess revenues, which are transferred to the City annually.

2023 vs. 2022

The change in total net position (deficit) from April 30, 2023 represents a positive change in the deficit position of $148.4 million from ($293.8) million at April 30, 2022 to ($145.5) million at April 30, 2023.

Net investment in capital assets was a surplus of $65.0 million and $42.0 million at April 30, 2023 and 2022, 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 $150.8 million of restricted net position at April 30, 2023 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 $361.3 million at April 30, 2023 resulting in part 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 six-month periods ended April 30, 2024, 2023, and 2022:

	April 30 2024	April 30 2023	April 30 2022	2024 vs 2023	2023 vs 2022
Operating revenues:					
Revenues from ground leases:					
Base rent	$ 23,897,414	22,370,026	22,402,834	1,527,388	(32,808)
Payments in lieu of real estate taxes	145,926,405	140,395,896	131,941,027	5,530,509	8,454,869
Lease interest and other revenue	38,495,361	41,082,418	40,760,830	(2,587,057)	321,588
Total operating revenues	208,319,180	203,848,340	195,104,691	4,470,840	8,743,649
Operating expenses:					
Wages and related benefits	9,508,663	8,928,096	7,952,044	580,567	976,052
OPEB	1,140,138	723,698	2,916,383	416,440	(2,192,685)
Other operating and administrative expenses	14,115,540	14,313,860	14,318,099	(198,320)	(4,239)
Depreciation and amortization	5,785,882	6,534,156	5,695,879	(748,274)	838,277
Total operating expenses	30,550,223	30,499,810	30,882,405	50,413	(382,595)
Operating income	177,768,957	173,348,530	164,222,286	4,420,427	9,126,244
Nonoperating revenues (expenses):					
Investment and other income (loss)	24,454,584	13,103,098	(5,938,068)	11,351,486	19,041,166
Interest expense, net	(30,979,923)	(15,460,280)	(14,760,455)	(15,519,643)	(699,825)
Lease amortization and interest expense	(728,613)	(728,613)	(939,900)	-	211,287
Bond issuance costs	(2,985,607)	(251,367)	-	(2,734,240)	(251,367)
Provision for transfer to the City of New York	(84,903,975)	(82,776,276)	(81,345,540)	(2,127,699)	(1,430,736)
Pier A and Pier A Plaza construction pass through NYC	(494,172)	-	-	(494,172)	-
Total nonoperating expenses	(95,637,706)	(86,113,438)	(102,983,963)	(9,524,268)	16,870,525
Change in net position (deficit)	82,131,251	87,235,092	61,238,323	(5,103,841)	25,996,769
Net deficit, beginning of period	(95,402,710)	(232,700,871)	(355,078,462)	137,298,161	122,377,591
Net deficit, end of period	$ (13,271,459)	(145,465,779)	(293,840,139)	132,194,320	148,374,360

Operating Revenues

2024 vs. 2023

Overall operating revenues for the six-month period ended April 30, 2024 totaled $208.3 million, $4.5 million higher than the six-month period ended April 30, 2023 of $203.8 million. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent increased $1.5 million to $23.9 million for the six-month period ended April 30, 2024. PILOT revenue totaling $145.9 million (70% of the total operating revenues for the six-month period ended April 30, 2024), increased by $5.5 million over the six-month period ended April 30, 2023.

The change in lease interest and other revenue is a $2.6 million decrease from $41.1 million for the six-month period ended April 30, 2023 to $38.5 million for the six-month period ended April 30, 2024. The decrease relates to one-time transaction fees collected in the prior six-month period ended April 30, 2023.

2023 vs. 2022

Overall operating revenues for the six-month period ended April 30, 2023 totaled $203.8 million, $8.7 million higher than the six-month period ended April 30, 2022 of $195.1 million. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent decreased $32 thousand to $22.4 million for the six-month period ended April 30, 2023. PILOT revenue totaling $140.4 million (69% of the total operating revenues for the six-month period ended April 30, 2023), increased by $8.5 million over the six-month period ended April 30, 2022.

The change in lease interest and other revenue is a $322 thousand increase from $40.8 million for the six-month period ended April 30, 2022 to $41.1 million for the six-month period ended April 30, 2023.

Operating Expenses

2024 vs. 2023

Operating expenses totaled $30.6 million for the six-month period ended April 30, 2024, representing a $50 thousand increase compared to the six-month period ended April 30, 2023. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses and depreciation and amortization.

Wages and related benefits totaling $9.5 million were $581 thousand higher than the prior six-month period ended April 30, 2023.

OPEB expenses for the Organization increased for the six-month period ended April 30, 2024 by $416 thousand as compared to the six-month period ended April 30, 2023.

Other operating and administrative expenses of $14.1 million decreased $198 thousand for the six-month period ended April 30, 2024.

Depreciation and amortization expenses recorded for the six-month period ended April 30, 2024 of $5.8 million was $748 thousand lower than the six-month period ended April 30, 2023.

2023 vs. 2022

Operating expenses totaled $30.5 million for the six-month period ended April 30, 2023, representing a $383 thousand decrease compared to the six-month period ended April 30, 2022. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses and depreciation and amortization.

Wages and related benefits totaling $8.9 million were $976 thousand higher than the prior six-month period ended April 30, 2022.

OPEB expenses for the Organization decreased for the six-month period ended April 30, 2023 by $2.2 million as compared to the six-month period ended April 30, 2022.

Other operating and administrative expenses of $14.3 million decreased $4 thousand for the six-month period ended April 30, 2023.

Depreciation and amortization expenses recorded for the six-month period ended April 30, 2023 of $6.5 million was $838 thousand higher than the six-month period ended April 30, 2022.

Nonoperating Revenues (Expenses)

2024 vs. 2023

Total nonoperating expenses, net, were $9.5 million more for the six-month period ended April 30, 2024 than the six-month period ended April 30, 2023. A provision for a transfer to the City of $84.9 million in excess revenues was charged to expense for the six-month period ended April 30, 2024, an increase of $2.1 million from the six-month period ended April 30, 2023. The Authority has fulfilled its obligation for the pay-as-you-go fund and any excess will accumulate under the Settlement Agreement (see note 14). Investment and other income (loss) increased period over period by $11.4 million, primarily due to realized and unrealized gains in the portfolio during the period ended April 30, 2024. Net interest expense increased by $15.5 million for the six-month period ended April 30, 2024 compared to the six-month period ended April 30, 2023, due primarily to the increase in outstanding bonds following the 2023 bond issuance.

2023 vs. 2022

Total nonoperating expenses, net, were $16.9 million less for the six-month period ended April 30, 2023 than the six-month period ended April 30, 2022. A provision for a transfer to the City of $82.8 million in excess revenues was charged to expense for the six-month period ended April 30, 2023, an increase of $1.4 million from the six-month period ended April 30, 2022. The Authority has fulfilled its obligation for the pay-as-you-go fund and any excess will accumulate under the Settlement Agreement. Investment and other income (loss) increased period over period by $19.0 million, primarily due to realized and unrealized gains in the portfolio during the period ended April 30, 2023. Net interest expense increased by $700 thousand for the six-month period ended April 30, 2023 compared to the six-month period ended April 30, 2022.

Change in Net Position (Deficit)

The total net deficits at April 30, 2024 and 2023 was $13.3 million and $145.5 million, respectively.

The total net deficits at April 30, 2023 and 2022 was $145.5 million and $293.8 million, respectively.

Other Information

Debt Administration

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 11 and 17). At April 30, 2024, no 2013 Revenue Bonds remained outstanding, the final 2013 Series A bonds were refunded August 3, 2023.

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").

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 12 and 17).

The 2019 Series D Bonds were partially refunded and the 2019 Series E Bonds were fully refunded on August 3, 2023. At April 30, 2024, outstanding 2019 Series 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*	118,515,000	AA+	Aa1

* Source: Fitch - rating as of June 11, 2024, Moody's - rating as of June 14, 2023

On August 3, 2023, the Authority issued $339,820,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2023A (Sustainability Bonds) (the "2023 Series A Bonds"), $383,500,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2023B (the "2023 Series B Bonds"), and $9,205,000 of fixed-rate Senior Revenue Bonds Series 2023C (Sustainability Bonds) (Federally Taxable) (the "2023 Series C Bonds") (see notes 14 and 17). At April 30, 2024, outstanding 2023 Series Bonds and ratings were as follows:

	Outstanding debt	Fitch	Moody's
2023 Senior Revenue A Bonds*	$ 339,820,000	AAA	Aaa
2023 Senior Revenue B Bonds*	380,720,000	AAA	Aaa
2023 Senior Revenue C Bonds*	9,205,000	AAA	Aaa

* Source: Fitch - rating as of June 11, 2024, Moody's - rating as of June 14, 2023

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 website is: bpca.ny.gov.

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

Statements of Net Position (Deficit)

April 30, 2024 and 2023 (Unaudited)

Assets	2024	2023
Current assets:		
Bank deposits	$ 51,174	136,999
Investments (notes 3(e) and 3(k))	8,409,442	9,506,543
Restricted assets:		
Lease receivable (notes 7 and 15(b))	5,138,829	5,793,869
Accrued interest receivable	34,237,026	25,620,055
Rents and other receivables (net of allowance for doubtful accounts of $22,321,306 in 2024 and $18,346,543 in 2023 (note 15a)	10,390,391	12,320,421
2003 General Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 10)	401,097,570	338,516,049
2013 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 11)	5,056,242	2,874,162
2019 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 12)	13,091,667	14,732,669
2023 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 13)	183,542,895	—
2023 Revolver Funds (notes 3(e), 3(k), 8)	—	10,997
Bond resolution fund receivables (notes 3(e), 8, 9, 12 and 15(c))	—	19,161,000
Accrued pension asset (note 18)	—	2,672,048
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(k) and 19)	95,110,993	87,058,339
Total current assets	756,126,229	518,403,151
Noncurrent assets:		
Restricted assets:		
Lease receivable (notes 7 and 15(b))	1,713,230,408	1,738,204,983
2003 General Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 10)	—	33,526,210
2013 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 11)	2,802,725	6,410,468
2019 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 12)	11,278,402	16,452,213
2023 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 13)	121,740,209	—
Residential lease required funds (notes 3(e) and 3(k))	31,405,312	29,326,134
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(k) and 19)	140,346,259	84,005,537
Fair value of interest rate swaps (notes 3(j) and 10)	—	22,018,440
Battery Park City project assets – at cost, less accumulated depreciation (notes 2, 3(c), and 4)	669,844,773	568,250,705
Other assets	13,172,071	14,275,348
Total noncurrent assets	2,703,820,159	2,512,470,038
Total assets	3,459,946,388	3,030,873,189
Deferred Outflows of Resources		
Deferred pension outflows (note 18)	5,395,721	5,922,029
Deferred OPEB outflows (note 19)	4,138,488	4,942,094
Unamortized loss on extinguishment of bonds (notes 3(g), 11 and 12)	—	11,285,249
Deferred costs of refunding, less accumulated amortization of $23,176,980 in 2023 (note 10)	—	56,837,477
Total deferred outflows of resources	9,534,209	78,986,849
Total assets and deferred outflows of resources	$ 3,469,480,597	3,109,860,038

(Continued)

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

Statements of Net Position (Deficit)

April 30, 2024 and 2023 (Unaudited)

Liabilities	**2024**	**2023**
Current liabilities:		
Accrued interest on bonds	$ 32,898,301	10,318,347
Accounts payable and other liabilities (note 16)	28,132,152	15,509,253
Accrued pension payable (note 18)	6,865,272	—
Lease liability (note 7)	1,416,103	1,395,407
Accrued interest payable	27,355	31,290
Due to the City of New York (note 14)	259,269,385	253,204,922
Due to the State of New York (note 14)	5,000,000	—
Due to the Port Authority of New York & New Jersey (note 20(b))	869,381	869,381
Unearned revenue (note 3(d)):		
PILOT revenue	46,869,277	44,371,121
Base rent and other revenue	6,528,255	6,354,050
Security and other deposits	4,738	4,738
2013 Revenue Bonds (notes 8, 9 and 12)	—	29,760,000
2019 Revenue Bonds (notes 8, 9 and 13)	—	4,635,000
2023 Revenue Bonds (notes 8, 9 and 14)	28,880,000	—
2023 Revolver Payable (note 8)	—	1,250,100
Total current liabilities	416,760,219	367,703,609
Noncurrent liabilities:		
Unearned revenue (note 3(d)):		
Base rent and other revenue	19,464,273	23,334,606
Security and other deposits	31,627,624	30,048,446
Lease liability (note 7)	8,611,461	10,027,564
OPEB (note 19)	36,496,279	35,992,761
Imputed borrowing (notes 3(j) and 10)	—	56,837,477
Bonds outstanding, net (notes 8, 9, 10, 11, 12, 13 and 17):		
2013 Revenue Bonds, less accumulated amortization of $26,966,778 in 2023	—	145,209,209
2019 Revenue Bonds, less accumulated amortization of $11,930,314 in 2024 and $9,413,042 in 2023	384,198,866	700,881,138
2023 Revenue Bonds, less accumulated amortization of $2,107,192 in 2024	783,994,442	—
Total noncurrent liabilities	1,264,392,945	1,002,331,201
Total liabilities	1,681,153,164	1,370,034,810
Deferred Inflows of Resources		
Deferred lease inflows (note 7)	1,772,511,030	1,836,012,048
Deferred pension inflows (note 18)	704,638	9,519,402
Deferred OPEB inflows (note 19)	17,440,491	17,741,117
Accumulated change in fair value of interest rate swaps	—	22,018,440
Unamortized gain on extinguishment of bonds	10,942,733	—
Total deferred inflows of resources	1,801,598,892	1,885,291,007
Total liabilities and deferred inflows of resources	3,482,752,056	3,255,325,817
Net Position (Deficit):		
Net investment in capital assets	265,863,903	64,975,637
Restricted:		
Debt service	101,905,105	62,850,493
Under bond resolutions and other agreements	127,683,684	87,995,367
Unrestricted (deficit)	(508,724,151)	(361,287,276)
Total net position (deficit)	(13,271,459)	(145,465,779)
Total liabilities, deferred inflows of resources and net position (deficit)	$ 3,469,480,597	3,109,860,038

See accompanying notes to financial statements and independent auditors' review report.

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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)

Six-month periods ended April 30, 2024 and 2023 (Unaudited)

		2024	2023
Operating revenues:			
Revenues from ground leases (notes 5, 6, and 7):			
Base rent	$	23,897,414	22,370,026
Payments in lieu of real estate taxes (note 14)		145,926,405	140,395,896
Lease interest and other revenue		38,495,361	41,082,418
Total operating revenues		208,319,180	203,848,340
Operating expenses:			
Wages and related benefits		9,508,663	8,928,096
OPEB (note 19)		1,140,138	723,698
Other operating and administrative expenses		14,115,540	14,313,860
Depreciation of project assets		5,457,804	6,154,944
Other depreciation and amortization		328,078	379,212
Total operating expenses		30,550,223	30,499,810
Operating income		177,768,957	173,348,530
Nonoperating revenues (expenses):			
Investment income on funds relating to:			
2003 Revenue Bonds (note 10)		364,623	1,163,740
Corporate-designated, escrowed, and OPEB funds		652,683	645,508
Realized and unrealized gains (losses)		23,437,278	11,293,850
Interest expense relating to:			
2003 Swap agreements – net expense		—	(1,142,109)
2003 Revenue Bonds (note 10)		—	(5,879)
2013 Revenue Bonds (note 11)		—	(2,321,189)
2019 Revenue Bonds (note 12)		(6,426,321)	(11,336,970)
2023 Revenue Bonds (note 13)		(25,740,052)	—
2023 Revolver		(37,436)	(4,773)
Gain (Loss) from extinguishment		1,223,886	(649,360)
Lease amortization and interest expense		(728,613)	(728,613)
Bond issuance costs		(2,985,607)	(251,367)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts (note 14)		(84,903,975)	(82,776,276)
Provision for transfer to the City of New York - Pier A and Pier A Plaza		(494,172)	—
Total nonoperating expenses		(95,637,706)	(86,113,438)
Change in net position (deficit)		82,131,251	87,235,092
Net position (deficit), beginning of period		(95,402,710)	(232,700,871)
Net position (deficit), end of period	$	(13,271,459)	(145,465,779)

See accompanying notes to financial statements and independent auditors’ review report.

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

Statements of Cash Flows

Six-month periods ended April 30, 2024 and 2023 (Unaudited)

	2024	2023
Cash flows from operating activities:		
Cash receipts from:		
Tenant payments	$ 180,060,333	171,869,676
Miscellaneous receipts	151,139	118,870
Total cash receipts from operating activities	180,211,472	171,988,546
Cash payments for:		
Salaries and benefits	(9,919,670)	(9,017,621)
Services and supplies	(7,232,618)	(5,582,052)
Total cash payments for operating activities	(17,152,288)	(14,599,673)
Net cash provided by operating activities	163,059,184	157,388,873
Cash flows from noncapital financing activities:		
Payments to Pier A Contractors on behalf of the City of New York	(304,227)	—
Net cash used in noncapital financing activities	(304,227)	—
Cash flows from capital and related financing activities:		
Development costs – site improvements and construction	(934,493)	(1,392,756)
Capital asset expenditures	(57,894,874)	(9,753,323)
Payments for bond issuance costs	(2,985,607)	—
Auction fees for variable debt	—	(5,879)
Swap payment made on the 2003 Swap agreement	—	(1,803,244)
Swap interest payments received on the 2003 Swap agreement	6,544	505,592
Principal paydown on 2023 Senior Revenue Bonds	(2,780,000)	—
Interest paid on 2023 Senior Revenue Bonds	(33,978)	—
Principal paydown on 2013 Senior Revenue Bonds	—	(28,380,000)
Interest paid on 2013 Senior Revenue Bonds	—	(4,441,025)
Interest paid on 2019 Senior Revenue Bonds	(5,377,686)	(6,344,313)
Interest paydown on 2019 Junior Revenue Bonds	(2,041,026)	(5,377,686)
Principal paid on 2019 Junior Revenue Bonds	—	(4,400,000)
Remarketing fees for 2019 Junior Revenue Bonds	(29,670)	(72,812)
Bond purchase agreement fee for 2019 Junior Revenue Bonds	(362,517)	(649,540)
Revolver fund proceeds	—	1,000,100
Revolver bond expenses	—	(239,103)
Revolver commitment fee	(113,088)	(4,773)
Interest paid on lease liability	(168,507)	(191,136)
Principal paid on lease liability	(762,297)	(708,429)
Net cash used in capital and related financing activities	(73,477,199)	(62,258,327)
Cash flows from investing activities:		
Interest and realized gains/losses on sales of investment securities	27,471,538	8,482,681
Maturities and redemptions of investment securities	416,691,809	196,404,432
Purchases of investment securities	(313,251,012)	(189,737,596)
Net cash provided by investing activities	130,912,335	15,149,517
Increase in cash and cash equivalents	220,190,093	110,280,063
Cash and cash equivalents, beginning of period	433,584,404	225,424,188
Cash and cash equivalents, end of period	$ 653,774,497	335,704,251

(Continued)

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

Statements of Cash Flows

Six-month periods ended April 30, 2024 and 2023 (Unaudited)

		2024	2023
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	177,768,957	173,348,530
Adjustments to reconcile operating income to net cash provided by operating activities:			
Recovery of bad debts		(548,720)	1,902,786
Depreciation and amortization		5,785,882	6,534,156
Other		(27,280)	(416,492)
Changes in operating assets and liabilities:			
Decrease in lease receivables		2,471,004	2,767,800
(Increase) in accrued interest receivables		(4,283,732)	(4,467,095)
(Increase) in rents and other receivables		(75,433)	(4,213,073)
Decrease in other assets		1,770,480	3,094,636
Increase in accounts payable and other liabilities		4,388,891	4,378,512
(Decrease) in unearned revenue		(1,942,957)	(2,346,253)
(Decrease) increase in OPEB liability		(882,721)	(11,789,239)
(Decrease) in lease liability		(703,767)	(680,453)
Changes in deferred resources:			
Deferred lease resources		(21,992,712)	(22,632,572)
Deferred OPEB resources		1,331,292	11,907,630
Net cash provided by operating activities	$	163,059,184	157,388,873

Reconciliation of cash and cash equivalents, end of period:			
Bank deposits	$	51,174	136,999
Cash and cash equivalents (note 3(e))		33,715,070	2,926,912
Investments with less than 91-day maturities (note 3(e))		620,008,253	332,640,340
Cash and cash equivalents, end of period	$	653,774,497	335,704,251

See accompanying notes to financial statements and independent auditors' review report.

(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 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.

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.

(2) Description of Project

The Project consists of approximately 92 acres of landfill created, owned, and operated by the Authority (see note 4). The fully developed Project site includes approximately 36 acres of parks 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, two museums, five public schools, a public library, four not-for-profit condos owned by the Authority, and approximately 8,300 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.

On December 15, 2022, New York State Legislation (2022 Laws, Ch. 686, § C, as amended by 2023 Laws, Ch. 85) ("Legislation") was signed into effect directing the Authority to extend the term of the Master Lease through June 18, 2119 notwithstanding any provision of law to the contrary and allowing the Authority to extend the term of the Lease beyond that date. As required by the Master Lease, the Settlement Agreement and its Amendment dated as of 1986, the Authority notified and consulted with the Mayor and Comptroller of the City of New York (collectively, "the City") regarding the proposed amendment to the Master Lease. During such consultation, the Authority and the City agreed to amend the Settlement Agreement to provide that the extension of the term of any Basic Sublease beyond June 18, 2069, the entry into any new Basic Sublease with a term that extends beyond June 18, 2069, and any further extensions of the term of the Master Lease beyond June 18, 2119, will be subject to the City's prior approval.

(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 accounting principles generally accepted in the United States of America 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 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 April 30, 2024 and 2023 were capitalized as Project assets and were classified as follows:

		Balance at October 31, 2023	Additions	Deletions	Balance at April 30, 2024
Land	$	83,015,653	—	—	83,015,653
Site improvements		503,795,958	2,449,563	—	506,245,521
Residential building and condominiums		147,170,661	40,725	—	147,211,386
Construction in progress		85,156,043	59,658,973	—	144,815,016
Total Project assets		819,138,315	62,149,261	—	881,287,576
Less accumulated depreciation:					
Site improvements		157,756,985	3,728,339	—	161,485,324
Residential building and condominiums		48,228,014	1,729,465	—	49,957,479
Total accumulated depreciation		205,984,999	5,457,804	—	211,442,803
Net Project assets	$	613,153,316	56,691,457	—	669,844,773

As of April 30, 2024 and 2023, construction in progress (CIP) amounts of $144,815,016 and $42,330,030, respectively, consists primarily of the resiliency projects that are estimated to be completed in 2030.

	Balance at October 31, 2022	Additions	Deletions	Balance at April 30, 2023
Land	$ 83,015,653	—	—	83,015,653
Site improvements	488,861,110	8,975,695	1,451,320	496,385,485
Residential building and condominiums	146,890,692	167,590	—	147,058,282
Construction in progress	32,829,892	9,503,138		42,333,030
Total Project assets	751,597,347	18,646,423	1,451,320	768,792,450
Less accumulated depreciation:				
Site improvements	148,028,370	3,699,296	—	151,727,666
Residential building and condominiums	47,087,045	1,727,034	—	48,814,079
Total accumulated depreciation	195,115,415	5,426,330	—	200,541,745
Net Project assets	$ 556,481,932	13,220,093	1,451,320	568,250,705

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 respective 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 2024 of $208.4 million from residential buildings and $169.3 million from a commercial building. 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.

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 April 30, 2024 and 2023 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, are as follows:

	April 30, 2024			April 30, 2023		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	$ 908,145,494	910,604,386	0.10	$ 351,146,746	354,239,234	0.07
Treasury Bonds	62,625,625	57,847,040	3.08	183,042,546	176,376,091	1.82
Treasury Strips	—	—	—	2,478,639	2,495,961	1.85
Total U.S. Treasury securities	970,771,119	968,451,426		536,667,931	533,111,286	
Federal agency securities	—	—	—	65,227,379	65,392,528	0.04
Federal agency mortgage backed securities	728,652	681,070	2.81	1,501,382	1,430,282	2.82
Municipal bonds	3,046,871	2,959,485	1.33	6,774,137	6,591,097	1.56
Supra National Agency	8,458,559	8,074,665	1.15	13,725,815	12,967,216	1.88
Total investments	983,005,201	980,166,646	0.29	623,896,644	619,492,409	0.63
Cash and cash equivalents	33,715,070	33,715,070		2,926,912	2,926,912	
Total investments and deposits	$ 1,016,720,271	1,013,881,716		$ 626,823,556	622,419,321	

(a) Portfolio weighted average effective duration

As of April 30, 2024 and 2023, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to $620,008,253 and $332,640,340, 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 2013, 2019 and 2023 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 operating budget reserves and OPEB.

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

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) consists of net position that is 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 gains on extinguishment of bonds in deferred inflows 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 October 2, 2003, the Authority executed six Interest Rate Exchange Agreements (Swaps) with three counterparties - Citibank, JPMorgan, and Bank of America N.A. 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 amortized consistent with the original amortization schedule for the 2003 Series C Bonds. The Swaps had maturities ranging from November 1, 2031 to November 1, 2033. 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 substantially convert the variable-rate 2003 Series C Bonds to a synthetic fixed-rate, as under the Swaps the Authority paid fixed rates and received 65% of 1m LIBOR. On October 23, 2013, the Authority refunded the 2003 Series C Bonds with the 2013 Series C, 2013 Series D, and 2013 Series E variable-rate Junior Revenue Bonds. The Swaps were not terminated but were assigned to hedge the variable rate of the refunding bonds. 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 Swaps were assigned as hedges to the variable rate refunding bonds. The interest rates on these bonds were hedged by the 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 June 29, 2023, the Authority terminated the six swaps in connection with the partial refunding of the 2019 Series D and full refunding of 2019 Series E variable rate bonds with the 2023 Series B fixed-rate bonds. The Authority made termination payments of $19,076,000 in aggregate to the swap counterparties.

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 at April 30, 2024 and 2023 were as follows:

April 30, 2024

		Level 1	Level 2	Total
Assets at fair value:				
U.S. Treasury Securities:				
Treasury Bills	$	910,604,386	-	910,604,386
Treasury Bonds		57,847,040	-	57,847,040
Federal Agency Mortgage Backed Securities		-	681,070	681,070
Municipal Bonds		-	2,959,485	2,959,485
Supra National Bonds		-	8,074,665	8,074,665
Total assets at fair value	$	968,451,426	11,715,220	980,166,646

April 30, 2023

		Level 1	Level 2	Total
Assets at fair value:				
U.S. Treasury Securities:				
Treasury Bills	$	354,239,234	-	354,239,234
Treasury Bonds		176,376,091	-	176,376,091
Treasury Strips		2,495,961	-	2,495,961
Federal Agency Securities		-	65,392,528	65,392,528
Federal Agency Mortgage Backed Securities		-	1,430,282	1,430,282
Municipal Bonds		-	6,591,097	6,591,097
Supra National Bonds		-	12,967,216	12,967,216
Interest rate swaps		-	22,018,440	22,018,440
Total assets at fair value	$	533,111,286	108,399,563	641,510,849

l) Tax Abatements

The primary objective of GASB 77, *Tax Abatement Disclosures*, 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 six-month periods ended April 30, 2024 and 2023 were $2.7 million, and $3.3 million, respectively.

The 467a tax abatements for the six-month periods ended April 30, 2024 and 2023 were $7.1 million, and $3.0 million, respectively.

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

All of the Authority's bonds outstanding as of April 30, 2024 (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 of both subseries and the related standby bond purchase agreement provide that the occurrence and during the continuance of an event of default under either standby bond purchase agreement, the Bonds of each of those subseries, that were purchased by the standby bond purchase agreement provider, and any other outstanding obligations under the standby bond purchase agreement shall bear interest at a default rate.

n) Leases

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.

o) New Accounting Pronouncements

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 completed the process of evaluating GASB 100 and determined that no changes or errors were identified therefore there is no impact on the Authority's financial statements.

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.

GASB Statement No. 102, *Certain Risk Disclosures*, ("GASB 102") is effective for fiscal years beginning after June 15, 2024. GASB 102 improves financial reporting by providing timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The Authority has not completed their evaluation of GASB 102, but does not anticipate any material impact.

GASB Statement No. 103, *Financial Reporting Model Improvements*, ("GASB 103") is effective for fiscal years beginning after June 15, 2025. GASB 103 seeks to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Authority has not completed their evaluation of GASB 103, but does not anticipate any material impact.

(4) Rights of City to Reacquire Project Site

Certain agreements entered into by the Authority provide that the City has the right to acquire, at any time, Battery Park City 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. Subject to the foregoing, the City may, upon furnishing such funds, require the Authority to redeem all outstanding Bonds. As of April 30, 2024, the City had not expressed its intent regarding its right to reacquire the Project site.

(5) Commercial Development

The commercial center includes six office buildings totaling 10.7 million square feet of office space, retail space, a marina, two hotels, a multi-plex cinema, two museums, five public schools and a public library.

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.

As of April 30, 2024, all commercial development leases expire in 2069 and provide for future base rent payments aggregating based upon GASB 87, $958.5 million over the lease terms, which includes base rent of $20.3 million per annum from 2025 through 2069 payable by the commercial development leases (see note 7).

(6) Residential and Other Development

The Authority has 30 ground leases for residential buildings containing approximately 8,300 condominium, cooperative and rental units. Payments under the leases include PILOT, ground rent and other revenues, including percentage rent and civic facilities maintenance.

PILOT is required to be paid to the Authority during the term of these leases based on assessments and tax rates set by the New York City Department of Finance ("NYCDOF"). Certain leases provide for an abatement equivalent to the real estate abatements assessed by the NYCDOF. Buildings may seek an adjustment of their PILOT through a certiorari process conducted by the NYCDOF, at its sole discretion.

Certain leases also provide, among other matters, for the lessees to make payments to the Authority in the event of a refinancing or a conversion to a cooperative or condominium form of ownership.

(7) Leases

Lessor lease agreements are categorized and summarized as follows:

For the periods ended April 30, 2024 and 2023, the Authority recognized $23,897,414 and $22,370,026, respectively, in lease revenue and $28,575,504 and $28,852,742, respectively, in lease interest revenues from all its properties. Future base rent payments due to the Authority are as follows for the years ending April 30:

	Principal				Interest			
Year Ended	**Commercial**	**Residential**	**Hotel & Other**	**Total**	**Commercial**	**Residential**	**Hotel & Other**	**Total**
2025	$ 4,010,522	607,926	520,381	5,138,829	16,278,934	32,010,785	612,359	48,902,078
2026	4,226,776	668,687	296,761	5,192,224	16,146,014	32,731,023	582,623	49,459,660
2027	5,298,633	719,188	39,542	6,057,363	15,990,823	34,564,121	578,888	51,133,832
2028	5,474,247	771,151	40,853	6,286,251	15,815,212	37,009,892	577,577	53,402,681
2029	5,655,680	825,155	42,207	6,523,042	15,633,777	38,736,097	576,223	54,946,097
2030-2034	31,217,471	4,091,560	232,968	35,541,999	75,229,809	208,662,453	2,859,182	286,751,444
2035-2039	36,745,149	14,626,170	648,539	52,019,858	69,702,129	223,008,986	2,804,363	295,515,478
2040-2044	43,251,614	63,793,771	1,227,535	108,272,920	63,195,667	211,165,229	2,637,653	276,998,549
2045-2049	50,910,176	112,618,938	1,444,894	164,974,008	55,537,104	180,367,568	2,420,294	238,324,966
2050-2054	59,924,840	146,713,986	2,168,641	208,807,467	46,522,440	160,618,258	2,147,485	209,288,183
2055-2059	70,535,735	214,722,553	3,132,842	288,391,130	35,911,546	125,993,161	1,698,643	163,603,350
2060-2064	83,025,499	279,373,358	3,687,575	366,086,432	23,421,781	82,952,969	1,143,910	107,518,660
2065-2069	100,140,082	359,855,127	5,082,505	465,077,714	8,729,200	32,025,637	470,330	41,225,167
Total	**$ 500,416,424**	**1,199,387,570**	**18,565,243**	**1,718,369,237**	**458,114,436**	**1,399,846,179**	**19,109,530**	**1,877,070,145**

A sublessee to a ground lease, that sublessee having independent obligations to pay rent to the Authority under the ground lease, has declared bankruptcy pursuant to Chapter 11 of the United States Bankruptcy Code. Accordingly, future rental payments from such sublessee is uncertain. The projected lease revenue associated with base rent under the current lease is $36.6 million through the remaining years of the lease terminating in 2069.

Lessee lease agreements are summarized as follows:

Start Dates	Terms	Interest Rate	Balance 4/30/2024	Balance 4/30/2023
11/1/2020 to 1/1/2022	13 - 120 months	3.265%	$ 10,027,564	$ 11,422,971

The Authority leases office space, community space and storage space. The interest rate used at implementation was 3.265%, which was based on the weighted average cost of capital of the Authority, as of November 1, 2020. This rate will be adjusted upon the completion of any lease amendment. The initial lease periods ranged 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:

Period Ending		Principal	Interest
2025	$	1,416,103	306,193
2026		1,402,128	259,844
2027		844,839	221,644
2028		1,449,572	186,236
2029		1,497,615	138,193
Thereafter		3,417,307	126,943
Total	$	10,027,564	1,239,053

(8) 2003 General Bond Resolution Funds and 2013, 2019 and 2023 Revenue Bond Resolution Funds

The current and noncurrent balances in the funds and accounts established in accordance with the Authority's 2003 General Bond Resolution Funds and held by the trustee at April 30, 2024 and 2023 were as follows:

		2003 General Bond Resolution Funds			
April 30, 2024		**General Bond Resolution**	**Senior Bonds**	**Junior Bonds**	**Total General Bond Resolution**
Project Operating Fund	$	20,631,042	—	—	20,631,042
Debt Service Funds		—	121,903,457	15,662,019	137,565,476
Residual Fund		176,492,862	—	—	176,492,862
Pledged Revenue Fund		66,408,190	—	—	66,408,190
Totals	$	263,532,094	121,903,457	15,662,019	401,097,570

		2003 General Bond Resolution Funds			
April 30, 2023		**General Bond Resolution**	**Senior Bonds**	**Junior Bonds**	**Total General Bond Resolution**
Reserve Fund	$	33,526,210	—	—	33,526,210
Project Operating Fund		11,988,974	—	—	11,988,974
Debt Service Funds		—	51,865,117	30,386,414	82,251,531
Residual Fund		172,273,312	—	—	172,273,312
Pledged Revenue Fund		72,002,232	—	—	72,002,232
Totals	$	289,790,728	51,865,117	30,386,414	372,042,259

As of April 30, 2023, there were in transit 2003 debt service bond resolution fund receivables of $19,161,000 after the payment of debt service. Accordingly, this amount has been included in the bond resolution funds receivable amount in the statement of net position (deficit).

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.

As of April 30, 2024, there are no more outstanding 2013 Senior Revenue Bonds. The remaining proceeds were held by trustees as follows at April 30, 2024 and 2023:

April 30, 2024		2013A Senior Revenue Bonds
Project Costs Fund	$	7,858,967

April 30, 2023		2013A Senior Revenue Bonds
Project Costs Fund	$	9,284,630

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 April 30, 2024 and 2023:

		2019 Revenue Bonds			
April 30, 2024		2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	2019C Senior Revenue Bonds	Total 2019 Bonds
Project Cost Funds		14,774,504	6,114,249	3,481,316	24,370,069
Totals	$	14,774,504	6,114,249	3,481,316	24,370,069

		2019 Revenue Bonds			
April 30, 2023		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		21,250,109	6,278,036	3,651,109	31,179,254
Totals	$	21,255,737	6,278,036	3,651,109	31,184,882

In August 2023, as a result of the 2023 Senior 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 April 30, 2024:

		2023 Revenue Bonds			
April 30, 2024		**2023A Senior Revenue Bonds**	**2023B Senior Revenue Bonds**	**2023C Senior Revenue Bonds**	**Total 2023 Bonds**
Project Cost Funds	$	285,295,306	10,581,660	9,406,138	305,283,104

On March 28, 2023, the Authority entered into a revolving line of credit agreement with TD Bank, which provides up to $100 million to finance capital projects in the Project area. The revolving line of credit is a source of liquidity with an expiration date of March 27, 2026. The Authority agrees to pay interest at a rate per annum which shall be the Federal Funds Effective Rate in effect from time to time, plus the Applicable Margin. As of April 30, 2024, the revolving line of credit had no outstanding balance and at April 30, 2023 had an outstanding balance of $1.3 million. The outstanding balance of $1.3 million remained until August 2023 and was refunded by the 2023 Bond.

The 2023 revolver funds as of April 30, 2023 are as follows:

		2023 Revolver Funds			
April 30, 2023		**2023A Funds**	**2023B1 Funds**	**2023B2 Funds**	**Total Revolver Funds**
Project Cost Funds	$	—	100	10,897	10,997

Investments of amounts in funds and accounts established under the various 2003 General Bond Resolutions and 2013, 2019 and 2023 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 infrastructure 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 2013, 2019 and 2023 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.

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.

Amounts held in the Pledged Revenue Fund are pledged to the 2013, 2019 and 2023 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 Pledged Revenue Fund 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 Unpledged Revenue Fund.

(9) Authority Bonds Authorized

The bond authorization, under The Battery Park City Authority Act, Article 8, Title 12 of the Public Authorities Law, as amended, authorizes the Authority to issue bonds and notes in amounts not to exceed:

(1) $300 million outstanding at any one time for the development of the Project;

(2) 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;

(3) $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, as of April 30, 2024 and 2023, no bonds were issued for this purpose;

(4) $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;

(5) $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;

(6) $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.

(7) $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 April 30, 2024 and 2023, no bonds were issued for this purpose;

(8) $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.

(9) On May 12, 2023, New York State Legislature amended the Act to increase the Authority's bond authorization by $1 billion.

(10) On May 3, 2024, New York State Legislature amended the Act to increase the Authority's bond authorization by $1 billion (see note 23).

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.

(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 Swaps had maturities ranging from November 1, 2031 to November 1, 2033.

The Authority executed the Swaps in order to substantially convert the variable-rate 2003 Series C Bonds to a synthetic fixed-rate, as under the Swaps the Authority paid fixed rates and received 65% of 1 month LIBOR.

On October 23, 2013, the Authority refunded the 2003 Series C Bonds with the 2013 Series C, 2013 Series D, and 2013 Series E variable-rate Junior Revenue Bonds. The Swaps were not terminated but were assigned to hedge the variable rate of the refunding bonds.

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 rate Swaps were assigned as hedges to the variable rate refunding bonds.

In 2023, the Authority streamlined its debt structure by reducing the variable rate exposure and eliminating the accompanying swaps associated with the 2019 Series D and 2019 Series E bonds.

On June 29, 2023, the Authority terminated the six Swaps in connection with the partial refunding of the 2019 Series D and the full refunding of the 2019 Series E variable rate bonds with the 2023 Series B fixed-rate bonds. Variable rated bond exposure was reduced and all of the Authority's interest rate swaps were terminated.

On August 3, 2023, the Authority completed the successful sale of $732.5 million of the 2023 Revenue Bonds. The proceeds of the sale were used to fund the Swap termination costs of $19.1 million and reduce the variable rate exposure.

(11) 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"). As of April 30, 2024, there are no more outstanding 2013 Series Revenue Bonds (see Note 13).

The cumulative unamortized gain on redemption or maturity of bonds, including the unamortized bond insurance costs, collectively totaling $10.9 million at April 30, 2024, is classified in the statements of net position (deficit) as a deferred inflow of resources. The cumulative unamortized loss on redemption or maturity of bonds, including the unamortized bond insurance costs, collectively totaling $11.3 million at April 30, 2023, was classified in the statements of net position (deficit) as a deferred outflow of resources and was being amortized over the respective maturity of the corresponding bonds.

(12) 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 were 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 April 30, 2024, principal and interest payments due on the fixed-rate Senior Revenue Bonds, 2019 Series A, 2019 Series B, 2019 Series C, 2019 Series D and 2019 Series E were as follows:

2019 Series A Senior Revenue Bonds:

	Coupon Rate	Principal amount	Interest
Fiscal Year Ending:			
2024 (1/2 year)	—	$ —	1,673,450
2025	—	—	3,346,900
2026	—	—	3,346,900
2027	—	—	3,346,900
2028	—	—	3,346,900
2029 – 2033	—	—	16,734,500
2034 – 2038	—	—	16,734,500
2039 – 2043	4.00%	14,240,000	16,112,700
2044 – 2048	4.00% - 5.00%	39,785,000	9,682,950
2049 – 2050	5.00%	18,740,000	948,500
Totals		$ 72,765,000	75,274,200

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
Fiscal Year Ending:			
2024 (1/2 year)	—	$ —	3,659,075
2025	—	—	7,318,150
2026	—	—	7,318,150
2027	—	—	7,318,150
2028	—	—	7,318,150
2029 – 2033	5.00%	10,005,000	36,133,125
2034 – 2038	5.00%	42,695,000	28,908,125
2039 – 2042	4.00% - 5.00%	93,810,000	7,176,525
Totals		$ 146,510,000	105,149,450

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:

Fiscal Year Ending:	Coupon Rate		Principal amount	Interest
2024 (1/2 year)	—	$	—	45,161
2025	—		—	90,321
2026	—		—	90,321
2027	—		—	90,321
2028	2.53%		3,570,000	45,161
Totals		$	3,570,000	361,285

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 and bear 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 refunded $173.0 million of the 2019 Series D Bonds as part of the 2023 bond issuance. 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.

As of April 30, 2024, following the partial redemption, the principal and interest payments due on the 2019 Series D variable-rate bonds were as follows:

		Junior D	
Fiscal Year Ending:		Principal	Interest
2024 (1/2 year)	$	—	2,354,775
2025		—	4,548,724
2026		—	4,496,578
2027		—	4,520,399
2028		—	4,617,581
2029 – 2033		—	14,507,125
2034 – 2038		105,315,000	14,291,944
2039 – 2043		13,200,000	—
Total	$	118,515,000	49,337,126

The above schedule reflects interest on one-week SIFMA on April 30, 2024 plus applicable fees.

2019 Series E Junior Revenue Bonds:

The 2019 Series E Bonds bore interest at a variable-rate based on one-week SIFMA plus a spread. The Authority exercised its right to repurchase the 2019 Series E Bonds and refunded the bonds on August 3, 2023.

(13) 2023 Revenue Bonds

On August 3, 2023, the Authority issued $339,820,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2023A (Sustainability Bonds) (the “2023 Series A Bonds”), $383,500,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2023B (the “2023 Series B Bonds”), and $9,205,000 of fixed-rate Senior Revenue Bonds Series 2023C (Sustainability Bonds) (Federally Taxable) (the “2023 Series C Bonds”).

Proceeds of the Series 2023 Bonds were issued for the following purposes:

- The proceeds of the 2023A Senior Bonds will be used to provide for resiliency, pile and seawall remediation, community center waterproofing and other projects that comprise part of the Authority’s Sustainability Program.

- The proceeds of the 2023B Senior Bonds will be used to provide funds for general infrastructure and information technology improvements, to refund all of the Authority’s outstanding Senior Revenue Bond Series 2013A in the amount of $150,900,000, a portion of Authority’s outstanding Junior Revenue Bond Sub-Series 2019D-1 in the amount of $86,520,000 and 2019D-2 in the amount of $86,515,000, and all of the Authority’s outstanding variable-rate Junior Revenue Bonds, Series 2019E in the amount of $145,765,000. The net proceeds of $471,436,489 (including a premium and after payment of underwriting fees and other bond issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds.

  The refunded bonds are considered defeased and the liability for those bonds have been removed from the statement of net position (deficit). The refunding was undertaken to reduce total debt service payments by $54,254,370 and resulted in an economic gain (difference between the net present value of the debt service on the refunded bonds and the refunding bonds) of $11,446,836. As a result of the refunding, the Authority recognized a deferred inflow of resources of $22,802,508 which results from the difference in the carrying value of the refunded debt and the reacquisition price. This amount is deferred and amortized into interest expense over the shorter of the life of the refunded or refunding debt.

- The proceeds of the 2023C Senior Bonds will be used to provide for discrete infrastructure and capital purposes, within the Authority’s Sustainability Program for repair to Pier A and Pier A Plaza.

As of April 30, 2024, principal and interest payments due on the fixed-rate Senior Revenue Bonds, 2023 Series A, 2023 Series B and 2023 Series C were as follows:

2023 Series A Senior Revenue Bonds:

The 2023 Series A Senior Revenue Bonds maturing on or after November 1, 2053 are subject to redemption, in whole or in part, at any time on or after November 1, 2033 at the option of the Authority, at a redemption price of par plus interest to the redemption date.

Fiscal Year Ending:	Coupon Rate	Principal amount	Interest
2024 (1/2 year)	—	$ —	12,648,856
2025	—	—	21,144,356
2026	—	—	16,991,000
2027	—	—	16,991,000
2028	—	—	16,991,000
2029 – 2033	—	—	84,955,000
2034 – 2038	—	—	84,955,000
2039 – 2043	5.00%	34,345,000	84,117,250
2044 – 2048	5.00%	107,345,000	66,404,750
2049 – 2052	5.00%	158,135,000	35,605,500
2053		39,995,000	1,999,750
Total		$ 339,820,000	442,803,462

2023 Series B Senior Revenue Bonds:

The 2023 Series B Senior Revenue Bonds maturing on or after November 1, 2043 are subject to redemption, in whole or in part, at any time on or after November 1, 2033 at the option of the Authority, at a redemption price of par plus interest to the redemption date.

Fiscal Year Ending:	Coupon Rate	Principal	Interest
2024 (1/2 year)	5.00%	$ —	14,171,244
2025	5.00%	28,880,000	23,689,244
2026	5.00%	34,515,000	17,592,000
2027	5.00%	36,070,000	15,866,250
2028	5.00%	29,290,000	14,062,750
2029 – 2033	5.00%	156,300,000	47,572,000
2034 – 2038	5.00%	80,440,000	13,943,000
2039 – 2043	5.00%	15,225,000	761,250
Total		$ 380,720,000	147,657,738

2023 Series C Senior Revenue Bonds:

The 2023 Series C Senior Revenue Bonds mature on November 1, 2028.

	Coupon Rate		Principal	Interest
Fiscal Year Ending:				
2024 (1/2 year)		$	—	328,925
2025			—	549,845
2026			—	441,840
2027			—	441,840
2028			—	441,840
2029	4.80%		9,205,000	396,840
Total		$	9,205,000	2,601,130

(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 payment of operating, administrative and maintenance expenses, debt service on the Authority's indebtedness, 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 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 "Joint Purpose Funds").

The $174.4 million of PILOT-related receipts provisioned for the transfer to the City during the year ended October 31, 2023, was paid in May 2024. A provision in the amount of $84.9 million reflecting PILOT-related receipts has been charged as a nonoperating expense for the six-month period ended April 30, 2024.

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 final distribution to the City pay-as-you-go capital fund was completed at the end of fiscal year 2021. Any additional excess has been accumulated in accordance with the Settlement Agreement.
On October 12, 2023, the Settlement Agreement was amended to include a provision of $5 million to be transferred to the State of New York. The purpose of this transfer is to advance affordability requirements at the development being undertaken at the site known as 5 World Trade Center in Lower Manhattan.

On July 15, 2024, the Settlement Agreement was amended to distribute the accumulated earnings in the 7aii funds held in the Authority's Joint Purpose Fund. The total accumulated funds affected by this is approximately $135.4 million (see note 23).

(15) (A) Rents and Other Receivables

Rents and other receivables consisted of the following at April 30, 2024 and 2023:

		2024	2023
Rents receivable	$	32,239,659	28,706,768
Interest receivable		385,126	1,870,724
Miscellaneous receivables		86,912	89,472
Total receivables		32,711,697	30,666,964
Less allowance for doubtful accounts		(22,321,306)	(18,346,543)
Net receivables	$	10,390,391	12,320,421

(B) Lease Receivables

The Authority is reporting Lease Receivables of $1,718,369,237 and $1,743,998,852 at April 30, 2024 and 2023, respectively. For the six-month periods ending April 30, 2024 and 2023, the Authority reported lease revenues of $23,897,414 and $22,370,026 and interest revenue of $28,575,504 and $28,852,742, respectively, related to lease payments received.

These leases are summarized as follows:

4/30/2024

Lease		Lease Receivable	Lease Revenue	Lease Interest Revenue
Commercial	$	500,416,424	6,621,906	8,182,651
Residential		1,199,387,570	17,118,421	20,087,800
Hotel & Other		18,565,243	157,087	305,053
Total	$	1,718,369,237	23,897,414	28,575,504

4/30/2023

Lease		Lease Receivable	Lease Revenue	Lease Interest Revenue
Commercial	$	504,298,290	6,621,906	8,245,593
Residential		1,199,928,594	15,085,267	19,952,721
Hotel & Other		39,771,968	662,853	654,428
Total	$	1,743,998,852	22,370,026	28,852,742

A sublessee to a ground lease, that sublessee having independent obligations to pay rental under the ground lease, has declared bankruptcy pursuant to Chapter 11 of the United States Bankruptcy Code. Accordingly, future rental payments from such sublessees are uncertain.

The projected lease revenue associated with base rent under the current lease is $36.6 million through the remaining years of the lease terminating in 2069. The Authority continues to mitigate any future non-payments.

(C) Bond Resolution Fund Receivables

As of April 30, 2023, $19,161,000 of bond resolution funds from the debt reserve accounts were generated by the sale of fund investments (see note 8). The securities were received by the Authority on May 1, 2023. These bond resolution funds have been recorded separately as bond resolution fund receivables in the statement of net position (deficit).

(16) Accounts Payable and Other Liabilities

Accounts payable and other liabilities consisted of the following at April 30, 2024 and 2023:

		2024	2023
Amounts due to vendors	$	16,887,433	8,243,183
Contract retention costs		5,396,975	1,168,955
State recovery costs		4,446,500	4,446,500
Accrued payroll and benefits		1,396,333	1,326,025
Accrued bond fees		4,911	324,590
Total	$	28,132,152	15,509,253

(17) Long-Term Liabilities

The Organization's bonds and other long-term liabilities as of April 30, 2024 were comprised of the following obligations:

	October 31, 2023	Additions	Deletions	April 30, 2024	Due within one year
Authority bonds outstanding:					
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	118,515,000	—	—	118,515,000	—
Subtotal	341,360,000	—	—	341,360,000	—
Unamortized net premiums	44,097,502	—	1,258,636	42,838,866	—
Subtotal 2019 Bonds	385,457,502	—	1,258,636	384,198,866	—
2023 Revenue Bonds:					
Series 2023A	339,820,000	—	—	339,820,000	—
Series 2023B	383,500,000	—	2,780,000	380,720,000	28,880,000
Series 2023C	9,205,000	—	—	9,205,000	—
Subtotal	732,525,000	—	2,780,000	729,745,000	28,880,000
Unamortized net premiums	84,538,416	—	1,408,974	83,129,442	—
Subtotal 2023 Bonds	817,063,416	—	4,188,974	812,874,442	28,880,000
Total bonds outstanding	1,202,520,918	—	5,447,610	1,197,073,308	28,880,000
Other long-term liabilities:					
OPEB	37,379,000	2,488,279	3,371,000	36,496,279	—
Lease liability	10,731,331	—	703,767	10,027,564	1,416,103
Unearned revenue	74,804,762	—	1,942,957	72,861,805	53,397,532
Security and other deposits	30,832,207	800,155	—	31,632,362	4,738
Total other long-term liabilities	153,747,300	3,288,434	6,017,724	151,018,010	54,818,373
Total long-term liabilities	$ 1,356,268,218	3,288,434	11,465,334	1,348,091,318	83,698,373

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 April 30, 2024 column less the due within one year equals the non-current liabilities total.

The Authority's bonds and other long-term liabilities as of April 30, 2023 were comprised of the following obligations:

	October 31, 2022	Additions	Deletions	April 30, 2023	Due within one year
Authority bonds outstanding:					
2013 Revenue Bonds:					
Series 2013A	$ 179,280,000	—	28,380,000	150,900,000	29,760,000
Unamortized net premiums	25,485,045	—	1,415,836	24,069,209	—
Subtotal 2013 Bonds	204,765,045	—	29,795,836	174,969,209	29,760,000
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	294,480,000	—	2,930,000	291,550,000	3,090,000
Series 2019E	147,235,000	—	1,470,000	145,765,000	1,545,000
Subtotal	664,560,000	—	4,400,000	660,160,000	4,635,000
Unamortized net premiums	46,614,774	—	1,258,636	45,356,138	—
Subtotal 2019 Bonds	711,174,774	—	5,658,636	705,516,138	4,635,000
Total bonds outstanding	915,939,819	—	35,454,472	880,485,347	34,395,000
Other long-term liabilities:					
OPEB	47,782,000	2,558,704	14,347,943	35,992,761	—
Imputed borrowing	59,937,122	—	3,099,645	56,837,477	—
Lease liability	12,103,424	—	680,453	11,422,971	1,395,407
Unearned revenue	76,406,030	43,535	2,389,788	74,059,777	50,725,171
Security and other deposits	29,462,454	590,730	—	30,053,184	4,738
Total other long-term liabilities	225,691,030	3,192,969	20,517,829	208,366,170	52,125,316
Total long-term liabilities	$ 1,141,630,849	3,192,969	55,972,301	1,088,851,517	86,520,316

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 April 30, 2023 column less the due within one year equals the non-current liabilities total.

(18) Retirement Costs

Plan Description 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
2023	$	918,577
2022		1,181,874
2021		1,036,597
	$	3,137,048

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

At April 30, 2024 and 2023, the Authority reported a liability of $6,865,272 and an asset of $2,672,048, respectively, for its proportionate share of the net pension liability/asset. The net pension liability/asset was measured as of the Systems' fiscal year end at March 31, 2023 and 2022, respectively, and the total pension liability/asset used to calculate the net pension liability/asset 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 April 30, 2024 and 2023, the Authority's proportion was 0.0320148% and 0.0303502%, respectively.

At April 30, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

April 30, 2024

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	731,205	192,803
Changes of assumptions		3,334,219	36,849
Net difference between projected and actual earnings on pension plan investments		-	40,333
Changes in proportion and differences between LG contributions and proportionate share of contributions		207,547	434,653
Contributions made subsequent to measurement date		1,122,750	-
Total	$	5,395,721	704,638

April 30, 2023

		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 contributions and proportionate share of contributions		341,746	431,848
Contributions made subsequent to measurement date		918,577	-
Total	$	5,922,029	9,519,402

As of April 30, 2024 and 2023, $5,395,721 and $5,922,029, respectively was reported as a deferred outflow of resources, respectively, and $704,638 and $9,519,402 was reported as a deferred inflow of resources, respectively, including a deferred outflow of resources amounting to $1,122,750 and $918,577 as of April 30, 2024 and 2023, 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:		
2024	$	1,945,856
2025		(436,076)
2026		1,349,996
2027		1,831,307
2028		–
Thereafter		–
	$	4,691,083

Actuarial Assumptions

The total pension liability (asset) at the System's year end of March 31, 2023 and 2022 was determined by using an actuarial valuation as of April 1, 2022 and 2021, with updated procedures used to roll forward the total pension liability (asset) to the System's year end of March 31, 2023 and 2022.

Significant actuarial assumptions used in the April 1, 2022 and 2021 valuations were as follows:

2022	
Interest Rate	5.9%
Salary Scale ERS	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
System's Experience	
Inflation rate	2.9%

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%

The actuarial assumptions used in the 2022 and 2021 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, 2023 and 2022 are summarized below.

March 31, 2023

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	32.00%	4.30%
International Equity	15.00%	6.85%
Private Equity	10.00%	7.50%
Real Estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real Asset	3.00%	5.84%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.00%

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%

Discount Rate

The discount rates used to calculate the total pension liability (asset) as of March 31, 2023 and 2022 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 April 30, 2024:

		1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's share of the Net Pension Liability (Asset)	$	16,590,417	6,865,272	(1,261,219)

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 April 30, 2023:

		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)

Pension plan fiduciary net position

The components of the current-year net pension liability of the System's plan year-end of March 31, 2023 and 2022 were as follows:

		(Dollars in Thousands)	
		2023 Employees' Retirement System	2022 Employees' Retirement System
Employers' total pension liability	$	232,627,259	223,874,888
Plan net position		(211,183,223)	(232,049,473)
Employers' net pension liability	$	21,444,036	(8,174,585)
Ratio of plan net position to the employers' total pension liability		90.78%	103.65%

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 Benefit Plan (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 April 30, 2024, 199 participants, including 139 employees and 60 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 periods ending April 30, 2024 and 2023 and in accordance with GASB Statement 75, updated actuarial valuations were completed for the valuation date of November 1, 2022. This is the date as of which the actuarial valuations were performed. The measurement dates are October 31, 2023 and 2022 respectively. These are the dates as of which the OPEB liabilities were determined.

b) *Funding*

The contribution requirements (funding) of the Authority's net 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 April 30, 2024 and 2023, $36,496,279 and $35,992,761, respectively, has been reported for the Authority's total OPEB liabilities. For the six-month periods ending April 30, 2024 and 2023, the Authority has recognized OPEB expenses of $1,140,138 and $723,698, respectively.

Deferred inflows of resources and deferred outflows of resources are a portion of changes in net 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 April 30, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

April 30, 2024

		Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experienece	$	1,967,666	1,973,374
Changes of assumptions		15,472,825	1,473,548
Contributions made subsequent to measurement date		-	691,566
Total	$	17,440,491	4,138,488

April 30, 2023

		Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experienece	$	2,057,837	2,202,599
Changes of assumptions		15,683,280	2,134,187
Contributions made subsequent to measurement date		-	605,308
Total	$	17,741,117	4,942,094

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of April 30, 2024 will be recognized in OPEB expense as follows:

Period ended April 30:		
2025	$	(2,802,616)
2026		(2,404,532)
2027		(2,100,461)
2028		(1,499,869)
2029		(1,636,103)
Thereafter		(2,858,422)
	$	(13,302,003)

d) *Actuarial Methods and Assumptions*

The Authority's total OPEB liabilities were determined by an actuarial valuation as of November 1, 2022, using the following actuarial assumptions:

<u>2022</u>

Inflation rate 2.3%

Salary scale 3.3%

Health cost Getzen Model Version 2020

Mortality MP-2021 Mortality Tables

The annual healthcare cost trend rates vary based on type of health coverage valued; initial trends start at 6.7% to 7.3%, declining approximately each year to an ultimate trend rate of 4.1%. The trend rates reflect a general inflation level of 2.3%.

These valuation reports reflect 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.

e) Discount Rate

The discount rates used to calculate the total OPEB liability as of April 30, 2024 and 2023 were 5.12% and 4.90%, 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 April 30, 2024, calculated using the discount rate of 5.12%, 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 (4.12 percent) or 1-percentage-point higher (6.12 percent) than the current rate:

April 30, 2024

		1% Decrease 4.12%	Current Discount 5.12%	1% Increase 6.12%
Total OPEB Liability	$	41,871,325	36,496,279	32,097,282

The following represents the Authority's total OPEB liability estimated as of April 30, 2024, 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:

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$	31,309,084	36,496,279	43,054,591

The following represents the Authority's total OPEB liability estimated as of April 30, 2023, calculated using the discount rate of 4.90%, 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 (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

April 30, 2023

		1% Decrease 3.90%	Current Discount 4.90%	1% Increase 5.90%
Total OPEB Liability	$	41,400,486	35,992,761	31,575,875

The following represents the Authority's total OPEB liability estimated as of April 30, 2023, 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:

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$	31,076,122	35,992,761	42,197,779

g) *OPEB Status and Funding Progress*

The Authority's OPEB obligation and the funded status of the plan as of April 30, 2024 was as follows:

OPEB Balance at November 1, 2023	$	37,379,000
Changes for the period:		
Service cost		853,671
Interest		943,042
Benefit payments		(601,993)
Changes in assumptions		(2,077,441)
Net changes		(882,721)
OPEB Balance at April 30, 2024	$	36,496,279

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

The discount rate increased from 4.90% to 5.12%.

The Authority's OPEB obligation and the funded status of the plan as of April 30, 2023 was as follows:

OPEB Balance at November 1, 2022	$	47,782,000
Changes for the period:		
Service cost		1,351,838
Interest		601,559
Benefit payments		(567,158)
Changes in assumptions		(13,175,478)
Net changes		(11,789,239)
OPEB Balance at April 30, 2023	$	35,992,761

Corporate assets held at April 30, 2024 and 2023 in separate corporate OPEB accounts for the exclusive purpose of paying OPEB obligations were approximately $40.7 million and $40.4 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 approximately $278.3 million as of April 30, 2024.

(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 construction of the pedestrian concourse running under Route 9A. The concourse connects the Winter Garden (on the west, at the edge of Battery Park City) and the World Trade Center site on the east. As of April 30, 2024, the Authority had disbursed a total sum of $39,130,618 to the PANYNJ.

(c) Pursuant to its ground lease with Goldman Sachs Group Inc. ("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 Corporation

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 benefits 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) Subsequent Events

(A) On May 3, 2024, New York State Legislature amended the Act to increase the Authority's bond authorization by $1 billion (see note 9).

(B) On July 15, 2024, the Settlement Agreement was amended to distribute the accumulated earnings in the 7aii funds held in the Authority's Joint Purpose Fund. The total accumulated funds affected by this is approximately $135.4 million (see note 14).

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Authority's proportion of the net pension liability (asset)	0.03201480%	0.03035020%	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)	$ 6,865	$ (2,672)	$ 30	$ 7,796	$ 1,898	$ 830	$ 2,457	$ 2,357	$ 519
The Authority's covered payroll	$ 5,516	$ 5,025	$ 4,632	$ 4,673	$ 4,076	$ 4,154	$ 3,893	$ 3,983	$ 3,843
The Authority's proportionate share of the net pension liability (asset) as a percentage of covered payroll	124.46%	-53.17%	0.65%	166.83%	46.57%	19.98%	63.11%	59.18%	13.51%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

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
2023	5.90%
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
Six-Month Periods Ended April 30 (Unaudited)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 919	$ 1,182	$ 1,036	$ 965	$ 1,165	$ 930	$ 713	$ 518	$ 709	$ 605
Contribution in relation to the actuarially determined contribution	$ 919	$ 1,182	$ 1,036	$ 965	$ 1,165	$ 930	$ 713	$ 518	$ 709	$ 605
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Authority's covered payroll	$ 5,516	$ 5,025	$ 4,632	$ 4,673	$ 4,076	$ 4,154	$ 3,893	$ 3,983	$ 3,843	$ 4,427
Contribution as a percentage of covered payroll	16.66%	23.52%	22.37%	20.65%	28.58%	22.39%	18.31%	13.01%	18.45%	13.67%

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Required Supplementary Information – Schedule of Changes in Total OPEB Liability and Related Ratios
For the Six-Month Periods Ended April 30 (Unaudited)
(Dollar amounts in thousands)

		2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$	854	1,352	1,307	1,149	974	1,052	1,069
Interest cost		943	602	512	737	700	701	644
Effect of assumption changes or inputs		(1,970)	(2,217)	(30)	2,480	(13)	212	(1)
Effect of economic/demographic gains or (losses)		(108)	(10,959)	(1,218)	1,921	1,091	(8,139)	(1,260)
Benefit Payments		(602)	(567)	(510)	(521)	(453)	(463)	(448)
Net Change in Total OPEB Liability		(883)	(11,789)	61	5,766	2,299	(6,637)	4
Total OPEB Liability - Beginning	$	37,379	47,782	45,493	38,363	34,845	40,192	38,923
Total OPEB Liability - Ending	$	36,496	35,993	45,554	44,129	37,144	33,555	38,927
Covered payroll	$	5,800	5,730	5,288	4,577	4,402	4,354	4,471
Total OPEB Liability as a Percentage of Covered Payroll		629%	628%	861%	964%	844%	771%	871%

Notes to Schedule:
This schedule is intended to present the 10 most current fiscal years of data. However, seven periods of data are available with the adoption of GASB Statement 75 for the periods ended April 30, 2018 through April 30, 2024.

Changes of assumptions

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

Period Ended	Percentage
2024	5.12%
2023	4.90%
2022	2.41%
2021	2.15%
2020	3.67%
2019	3.85%
2018	3.35%

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 10 most current periods ended 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)

April 30, 2024 (Unaudited)

Assets	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Current assets:				
Bank deposits	$ 51,174	—	—	51,174
Investments	8,409,442	—	—	8,409,442
Restricted assets:				
Lease receivable	5,138,829	—	—	5,138,829
Accrued interest receivable	34,237,026	—	—	34,237,026
Rents and other receivables (net of allowance for doubtful accounts of $22,321,306)	10,390,391	—	—	10,390,391
2003 General Bond Resolution Funds	401,097,570	—	—	401,097,570
2013 Revenue Bond Resolution Funds	5,056,242	—	—	5,056,242
2019 Revenue Bond Resolution Funds	13,091,667	—	—	13,091,667
2023 Revenue Bond Resolution Funds	183,542,895	—	—	183,542,895
Corporate-designated, escrowed and OPEB funds	95,110,993	—	—	95,110,993
Total current assets	756,126,229	—	—	756,126,229
Noncurrent assets:				
Restricted assets:				
Lease receivable	1,713,230,408	—	—	1,713,230,408
2013 Revenue Bond Resolution Funds	2,802,725	—	—	2,802,725
2019 Revenue Bond Resolution Funds	11,278,402	—	—	11,278,402
2023 Revenue Bond Resolution Funds	121,740,209	—	—	121,740,209
Residential lease required funds	31,405,312	—	—	31,405,312
Corporate-designated, escrowed, and OPEB funds	140,346,259	—	—	140,346,259
Battery Park City project assets – at cost, less accumulated depreciation	669,844,773	—	—	669,844,773
Other assets	13,172,071	—	—	13,172,071
Total noncurrent assets	2,703,820,159	—	—	2,703,820,159
Total assets	3,459,946,388	—	—	3,459,946,388
Deferred Outflows of Resources				
Deferred pension outflows	5,395,721	—	—	5,395,721
Deferred OPEB outflows	4,138,488	—	—	4,138,488
Total deferred outflows of resources	9,534,209	—	—	9,534,209
Total assets and deferred outflows of resources	$ 3,469,480,597	—	—	3,469,480,597

See independent auditors’ review report.

(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)

April 30, 2024 (Unaudited)

Liabilities	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Current liabilities:				
Accrued interest on bonds	$ 32,898,301	—	—	32,898,301
Accounts payable and other liabilities	28,132,152	—	—	28,132,152
Accrued pension payable	6,865,272	—	—	6,865,272
Lease liability	1,416,103	—	—	1,416,103
Accrued interest payable	27,355	—	—	27,355
Due to the City of New York	259,269,385	—	—	259,269,385
Due to the State of New York	5,000,000			5,000,000
Due to the Port Authority of New York & New Jersey	869,381	—	—	869,381
Unearned revenue:				
PILOT revenue	46,869,277	—	—	46,869,277
Base rent and other revenue	6,528,255	—	—	6,528,255
Security and other deposits	4,738	—	—	4,738
2023 Revenue Bonds	28,880,000	—	—	28,880,000
Total current liabilities	416,760,219	—	—	416,760,219
Noncurrent liabilities:				
Unearned revenue:				
Base rent and other revenue	19,464,273	—	—	19,464,273
Security and other deposits	31,627,624	—	—	31,627,624
Lease liability	8,611,461	—	—	8,611,461
OPEB	36,496,279	—	—	36,496,279
Bonds outstanding:				
2019 Revenue Bonds, less accumulated amortization of $11,930,314	384,198,866	—	—	384,198,866
2023 Revenue Bonds, less accumulated amortization of $2,107,192	783,994,442	—	—	783,994,442
Total noncurrent liabilities	1,264,392,945	—	—	1,264,392,945
Total liabilities	1,681,153,164	—	—	1,681,153,164
Deferred Inflows of Resources				
Deferred lease inflows	1,772,511,030	—	—	1,772,511,030
Deferred pension inflows	704,638	—	—	704,638
Deferred OPEB inflows	17,440,491	—	—	17,440,491
Unamortized gain on extinguishment of bonds	10,942,733	—	—	10,942,733
Total deferred inflows of resources	1,801,598,892	—	—	1,801,598,892
Net Position (Deficit):				
Net investment in capital assets	265,863,903	—	—	265,863,903
Restricted:				
Debt service	101,905,105	—	—	101,905,105
Under bond resolutions and other agreements	127,683,684	—	—	127,683,684
Unrestricted (deficit)	(508,724,151)	—	—	(508,724,151)
Total net position (deficit)	(13,271,459)	—	—	(13,271,459)
Total liabilities, deferred inflows of resources and net position (deficit)	$ 3,469,480,597	—	—	3,469,480,597

See independent auditors' review 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)

April 30, 2023 (Unaudited)

Assets	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Current assets:				
Bank deposits	$ 122,107	14,892	—	136,999
Investments	9,506,543	—	—	9,506,543
Restricted assets:				
Lease receivable	5,793,869	—	—	5,793,869
Accrued interest receivable	25,620,055	—	—	25,620,055
Rents and other receivables (net of allowance for doubtful accounts of $18,346,543)	12,320,421	—	—	12,320,421
2003 General Bond Resolution Funds	338,516,049	—	—	338,516,049
2013 Revenue Bond Resolution Funds	2,874,162	—	—	2,874,162
2019 Revenue Bond Resolution Funds	14,732,669	—	—	14,732,669
2023 Revolver Funds	10,997	—	—	10,997
Bond resolution fund receivables	19,161,000	—	—	19,161,000
Accrued pension asset	2,672,048	—	—	2,672,048
Corporate-designated, escrowed and OPEB funds	87,058,339	—	—	87,058,339
Total current assets	518,388,259	14,892	—	518,403,151
Noncurrent assets:				
Lease receivable	1,738,204,983	—	—	1,738,204,983
2003 General Bond Resolution Funds	33,526,210	—	—	33,526,210
2013 Revenue Bond Resolution Funds	6,410,468	—	—	6,410,468
2019 Revenue Bond Resolution Funds	16,452,213	—	—	16,452,213
Residential lease required funds	29,326,134	—	—	29,326,134
Corporate-designated, escrowed, and OPEB funds	84,005,537	—	—	84,005,537
Fair value of interest rate swaps	22,018,440	—	—	22,018,440
Battery Park City project assets – at cost, less accumulated depreciation	568,250,705	—	—	568,250,705
Other assets	14,275,348	—	—	14,275,348
Total noncurrent assets	2,512,470,038	—	—	2,512,470,038
Total assets	3,030,858,297	14,892	—	3,030,873,189
Deferred Outflows of Resources				
Deferred pension outflows	5,922,029	—	—	5,922,029
Deferred OPEB outflows	4,942,094	—	—	4,942,094
Unamortized loss on extinguishment of bonds	11,285,249	—	—	11,285,249
Deferred costs of refunding, less accumulated amortization of $23,176,980	56,837,477	—	—	56,837,477
Total deferred outflows of resources	78,986,849	—	—	78,986,849
Total assets and deferred outflows of resources	$ 3,109,845,146	14,892	—	3,109,860,038

See independent auditors' review 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)

April 30, 2023 (Unaudited)

Liabilities	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Current liabilities:				
Accrued interest on bonds	$ 10,318,347	—	—	10,318,347
Accounts payable and other liabilities	15,509,253	—	—	15,509,253
Lease liability	1,395,407	—	—	1,395,407
Accrued interest payable	31,290	—	—	31,290
Due to the City of New York	253,204,922	—	—	253,204,922
Due to the Port Authority of New York & New Jersey	869,381	—	—	869,381
Unearned revenue:				
PILOT revenue	44,371,121	—	—	44,371,121
Base rent and other revenue	6,354,050	—	—	6,354,050
Security and other deposits	4,738	—	—	4,738
2013 Revenue Bonds	29,760,000	—	—	29,760,000
2019 Revenue Bonds	4,635,000	—	—	4,635,000
2023 Revolver Payable	1,250,100	—	—	1,250,100
Total current liabilities	367,703,609	—	—	367,703,609
Noncurrent liabilities:				
Unearned revenue:				
Base rent and other revenue	23,334,606	—	—	23,334,606
Security and other deposits	30,048,446	—	—	30,048,446
Lease liability	10,027,564	—	—	10,027,564
OPEB	35,992,761	—	—	35,992,761
Imputed borrowing	56,837,477	—	—	56,837,477
Bonds outstanding:				
2003 Revenue Bonds, less accumulated amortization of $0	—	—	—	—
2013 Revenue Bonds, less accumulated amortization of $26,966,778	145,209,209	—	—	145,209,209
2019 Revenue Bonds, less accumulated amortization of $9,413,042	700,881,138	—	—	700,881,138
Total noncurrent liabilities	1,002,331,201	—	—	1,002,331,201
Total liabilities	1,370,034,810	—	—	1,370,034,810
Deferred Inflows of Resources				
Deferred lease inflows	1,836,012,048	—	—	1,836,012,048
Deferred pension inflows	9,519,402	—	—	9,519,402
Deferred OPEB inflows	17,741,117	—	—	17,741,117
Accumulated change in fair value of interest rate swaps	22,018,440	—	—	22,018,440
Total deferred inflows of resources	1,885,291,007	—	—	1,885,291,007
Net Position (Deficit):				
Net investment in capital assets	64,975,637	—	—	64,975,637
Restricted:				
Debt service	62,850,493	—	—	62,850,493
Under bond resolutions and other agreements	87,995,367	—	—	87,995,367
Unrestricted (deficit)	(361,302,168)	14,892	—	(361,287,276)
Total net position (deficit)	(145,480,671)	14,892	—	(145,465,779)
Total liabilities, deferred inflows of resources and net position (deficit)	$ 3,109,845,146	14,892	—	3,109,860,038

See independent auditors' review report.

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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)

Six-month period ended April 30, 2024 (Unaudited)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Operating revenues:				
Revenues from ground leases:				
Base rent	$ 23,897,414	—	—	23,897,414
Payments in lieu of real estate taxes	145,926,405	—	—	145,926,405
Lease interest and other revenue	38,495,361	—	—	38,495,361
Total operating revenues	208,319,180	—	—	208,319,180
Operating expenses:				
Wages and related benefits	9,508,663	—	—	9,508,663
OPEB	1,140,138	—	—	1,140,138
Other operating and administrative expenses	14,115,540	—	—	14,115,540
Depreciation of project assets	5,457,804	—	—	5,457,804
Other depreciation and amortization	328,078	—	—	328,078
Total operating expenses	30,550,223	—	—	30,550,223
Operating income	177,768,957	—	—	177,768,957
Nonoperating revenues (expenses):				
Investment income on funds relating to:				
2003 Revenue Bonds	364,623	—	—	364,623
Corporate-designated, escrowed, and OPEB funds	652,683	—	—	652,683
Realized and unrealized gains	23,437,278	—	—	23,437,278
Interest expense relating to:				
2019 Revenue Bonds	(6,426,321)	—	—	(6,426,321)
2023 Revenue Bonds	(25,740,052)	—	—	(25,740,052)
2023 Revolver	(37,436)	—	—	(37,436)
Gain on extinguishment of debt	1,223,886	—	—	1,223,886
Lease amortization and interest expense	(728,613)	—	—	(728,613)
Bond issuance costs	(2,985,607)	—	—	(2,985,607)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts	(84,903,975)	—	—	(84,903,975)
Provision for transfer to the City of New York - Pier A and Pier A Plaza	(494,172)	—	—	(494,172)
Total nonoperating expenses	(95,637,706)	—	—	(95,637,706)
Change in net position (deficit)	82,131,251	—	—	82,131,251
Net position (deficit), beginning of period	(95,402,710)	—	—	(95,402,710)
Net position (deficit), end of period	$ (13,271,459)	—	—	(13,271,459)

See independent auditors' review 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)

Six-month period ended April 30, 2023 (Unaudited)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Operating revenues:				
Revenues from ground leases:				
Base rent	$ 22,370,026	—	—	22,370,026
Payments in lieu of real estate taxes	140,395,896	—	—	140,395,896
Lease interest and other revenue	41,082,418	—	—	41,082,418
Total operating revenues	203,848,340	—	—	203,848,340
Operating expenses:				
Wages and related benefits	8,928,096	—	—	8,928,096
OPEB	723,698	—	—	723,698
Other operating and administrative expenses	14,313,860	—	—	14,313,860
Depreciation of project assets	6,154,944	—	—	6,154,944
Other depreciation and amortization	379,212	—	—	379,212
Total operating expenses	30,499,810	—	—	30,499,810
Operating income	173,348,530	—	—	173,348,530
Nonoperating revenues (expenses):				
Investment income on funds relating to:				
2003 Revenue Bonds	1,163,740	—	—	1,163,740
Corporate-designated, escrowed, and OPEB funds	645,508	—	—	645,508
Realized and unrealized gains	11,293,850	—	—	11,293,850
Interest expense relating to:				
2003 Swap agreements – net expense	(1,142,109)	—	—	(1,142,109)
2003 Revenue Bonds	(5,879)	—	—	(5,879)
2013 Revenue Bonds	(2,321,189)	—	—	(2,321,189)
2019 Revenue Bonds	(11,336,970)	—	—	(11,336,970)
2023 Revolver	(4,773)	—	—	(4,773)
Loss on extinguishment of debt	(649,360)	—	—	(649,360)
Lease amortization and interest expense	(728,613)	—	—	(728,613)
Bond issuance costs	(251,367)	—	—	(251,367)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts	(82,776,276)	—	—	(82,776,276)
Total nonoperating expenses	(86,113,438)	—	—	(86,113,438)
Change in net position (deficit)	87,235,092	—	—	87,235,092
Net position (deficit), beginning of period	(232,715,763)	14,892	—	(232,700,871)
Net position (deficit), end of period	$ (145,480,671)	14,892	—	(145,465,779)

See independent auditors' review 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

Six-month period ended April 30, 2024 (Unaudited)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Cash flows from operating activities:				
Cash receipts from:				
Tenant payments	$ 180,060,333	—	—	180,060,333
Miscellaneous receipts	151,139	—	—	151,139
Total cash receipts from operating activities	180,211,472	—	—	180,211,472
Cash payments for:				
Salaries and benefits	(9,919,670)	—	—	(9,919,670)
Services and supplies	(7,232,618)	—	—	(7,232,618)
Total cash payments for operating activities	(17,152,288)	—	—	(17,152,288)
Net cash provided by operating activities	163,059,184	—	—	163,059,184
Cash flows from noncapital financing activities:				
Payments to Pier A Contractors on behalf of The City of New York	(304,227)	—	—	(304,227)
Net cash used in noncapital financing activities	(304,227)	—	—	(304,227)
Cash flows from capital and related financing activities:				
Development costs – site improvements and construction	(934,493)	—	—	(934,493)
Capital asset expenditures	(57,894,874)	—	—	(57,894,874)
Payments for bond issuance costs	(2,985,607)	—	—	(2,985,607)
Swap interest payments received on the 2003 Swap agreement	6,544	—	—	6,544
Principal paydown on 2023 Senior Revenue Bonds	(2,780,000)	—	—	(2,780,000)
Interest paid on 2023 Senior Revenue Bonds	(33,978)	—	—	(33,978)
Interest paid on 2019 Senior Revenue Bonds	(5,377,686)	—	—	(5,377,686)
Interest paid on 2019 Junior Revenue Bonds	(2,041,026)	—	—	(2,041,026)
Remarketing fees for 2019 Junior Revenue Bonds	(29,670)	—	—	(29,670)
Bond purchase agreement fee for 2019 Junior Revenue Bonds	(362,517)	—	—	(362,517)
Revolver commitment fee	(113,088)	—	—	(113,088)
Interest paid on lease liability	(168,507)	—	—	(168,507)
Principal paid on lease liability	(762,297)	—	—	(762,297)
Net cash used in capital and related financing activities	(73,477,199)	—	—	(73,477,199)
Cash flows from investing activities:				
Interest and realized gains/losses on sales of investment securities	27,471,538	—	—	27,471,538
Maturities and redemptions of investment securities	416,691,809	—	—	416,691,809
Purchases of investment securities	(313,251,012)	—	—	(313,251,012)
Net cash provided by investing activities	130,912,335	—	—	130,912,335
Increase in cash and cash equivalents	220,190,093	—	—	220,190,093
Cash and cash equivalents, beginning of period	433,584,404	—	—	433,584,404
Cash and cash equivalents, end of period	$ 653,774,497	—	—	653,774,497

See independent auditors' review report.

(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

Six-month period ended April 30, 2024 (Unaudited)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 177,768,957	—	—	177,768,957
Adjustments to reconcile operating income to net cash provided by operating activities:				
Recovery of bad debts	(548,720)	—	—	(548,720)
Depreciation and amortization	5,785,882	—	—	5,785,882
Other	(27,280)	—	—	(27,280)
Changes in operating assets and liabilities:				
Decrease in lease receivables	2,471,004	—	—	2,471,004
Increase in accrued interest receivable	(4,283,732)	—	—	(4,283,732)
Increase in rents and other receivables	(75,433)	—	—	(75,433)
Decrease in other assets	1,770,480	—	—	1,770,480
Increase in accounts payable and other liabilities	4,388,891	—	—	4,388,891
(Decrease) in unearned revenue	(1,942,957)	—	—	(1,942,957)
(Decrease) in OPEB	(882,721)	—	—	(882,721)
(Decrease) in lease liability	(703,767)	—	—	(703,767)
Changes in deferred resources:				
Deferred lease resources	(21,992,712)	—	—	(21,992,712)
Deferred OPEB resources	1,331,292	—	—	1,331,292
Net cash provided by operating activities	$ 163,059,184	—	—	163,059,184
Reconciliation of cash and cash equivalents, end of period:				
Bank deposits	$ 51,174	—	—	51,174
Cash and cash equivalents	33,715,070	—	—	33,715,070
Investments with less than 91-day maturities	620,008,253	—	—	620,008,253
Cash and cash equivalents, end of period	$ 653,774,497	—	—	653,774,497

See independent auditors' review 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

Six-month period ended April 30, 2023 (Unaudited)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Cash flows from operating activities:				
Cash receipts from:				
Tenant payments	$ 171,869,676	—	—	171,869,676
Miscellaneous receipts	118,870	—	—	118,870
Total cash receipts from operating activities	171,988,546	—	—	171,988,546
Cash payments for:				
Salaries and benefits	(9,017,621)	—	—	(9,017,621)
Services and supplies	(5,582,052)	—	—	(5,582,052)
Total cash payments for operating activities	(14,599,673)	—	—	(14,599,673)
Net cash provided by operating activities	157,388,873	—	—	157,388,873
Cash flows from capital and related financing activities:				
Development costs – site improvements and construction	(1,392,756)	—	—	(1,392,756)
Capital asset expenditures	(9,753,323)	—	—	(9,753,323)
Auction fees for variable debt	(5,879)	—	—	(5,879)
Swap payment made on the 2003 Swap agreement	(1,803,244)	—	—	(1,803,244)
Swap interest payments received on the 2003 Swap agreement	505,592	—	—	505,592
Principal paydown on 2013 Senior Revenue Bonds	(28,380,000)	—	—	(28,380,000)
Interest paid on 2013 Senior Revenue Bonds	(4,441,025)	—	—	(4,441,025)
Interest paid on 2019 Senior Revenue Bonds	(6,344,313)	—	—	(6,344,313)
Principal paydown on 2019 Junior Revenue Bonds	(4,400,000)	—	—	(4,400,000)
Interest paid on 2019 Junior Revenue Bonds	(5,377,686)	—	—	(5,377,686)
Remarketing fees for 2019 Junior Revenue Bonds	(72,812)	—	—	(72,812)
Bond purchase agreement fee for 2019 Junior Revenue Bonds	(649,540)	—	—	(649,540)
Revolver fund proceeds	1,000,100	—	—	1,000,100
Revolver bond expenses	(239,103)	—	—	(239,103)
Revolver commitment fee	(4,773)	—	—	(4,773)
Interest paid on lease liability	(191,136)	—	—	(191,136)
Principal paid on lease liability	(708,429)	—	—	(708,429)
Net cash used in capital and related financing activities	(62,258,327)	—	—	(62,258,327)
Cash flows from investing activities:				
Interest and realized gains/losses on sales of investment securities	8,482,681	—	—	8,482,681
Maturities and redemptions of investment securities	196,404,432	—	—	196,404,432
Purchases of investment securities	(189,737,596)	—	—	(189,737,596)
Net cash provided by investing activities	15,149,517	—	—	15,149,517
Increase in cash and cash equivalents	110,280,063	—	—	110,280,063
Cash and cash equivalents, beginning of period	225,409,296	14,892	—	225,424,188
Cash and cash equivalents, end of period	$ 335,689,359	14,892	—	335,704,251

See independent auditors' review report.

(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

Six-month period ended April 30, 2023 (Unaudited)

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 173,348,530	—	—	173,348,530
Adjustments to reconcile operating income to net cash provided by operating activities:				
Provision for bad debts	1,902,786	—	—	1,902,786
Depreciation and amortization	6,534,156	—	—	6,534,156
Other	(416,492)	—	—	(416,492)
Changes in operating assets and liabilities:				
Decrease in lease receivables	2,767,800	—	—	2,767,800
Increase in accrued interest receivables	(4,467,095)	—	—	(4,467,095)
Increase in rents and other receivables	(4,213,073)	—	—	(4,213,073)
Decrease in other assets	3,094,636	—	—	3,094,636
Increase in accounts payable and other liabilities	4,378,512	—	—	4,378,512
(Decrease) in unearned revenue	(2,346,253)	—	—	(2,346,253)
(Decrease) in OPEB	(11,789,239)	—	—	(11,789,239)
(Decrease) in lease liability	(680,453)	—	—	(680,453)
Changes in deferred resources:				
Deferred lease resources	(22,632,572)	—	—	(22,632,572)
Deferred OPEB resources	11,907,630	—	—	11,907,630
Net cash provided by operating activities	$ 157,388,873	—	—	157,388,873
Reconciliation of cash and cash equivalents, end of period:				
Bank deposits	$ 122,107	14,892	—	136,999
Cash and cash equivalents	2,926,912	—	—	2,926,912
Investments with less than 91-day maturities	332,640,340	—	—	332,640,340
Cash and cash equivalents, end of period	$ 335,689,359	14,892	—	335,704,251

See independent auditors' review report.

Hugh L. Carey Battery Park City Authority

AUDIT AND OTHER SERVICES PLANNING MEETING FOR YEAR ENDING OCTOBER 31, 2024

SEPTEMBER 10, 2024

CBIZ CPAs

Your Engagement Leadership Team

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Other Audit Members:
Natalie Fenocchi, Senior Associate II
Heather Turk, Director, LIFMS
Staff, Wei, Wei & Co. LLP

Agenda

- Service Delivery Timeline
- Responsibilities
- Deliverables
- Special Factors Impacting This Year
- Our Planned Audit Approach
- Relationship and Independence
- New Developments and Forward Considerations
- Appendices:
  - Appendix A - Background on CBIZ
  - Appendix B - Engagement Letter
- Executive Session

Service Delivery Timeline

Attest Services	2024	2023
Interim Review – April 30:		
Review fieldwork start	June 27, 2024	July 24, 2023
Review of draft deliverables	August 13, 2024	August 10, 2023
Presentation of draft review report to the Audit and Finance Committee	September 10, 2024	August 16, 2023
Issuance of review report	By September 15, 2024	August 31, 2023
Audit – October 31:		
Issuance of engagement letter	September 2, 2024	August 4, 2023
Pre-audit communication to the Audit and Finance Committee	September 10, 2024	August 16, 2023
Audit fieldwork start	Mid-December 2024	December 11, 2023
Post-audit communication to the Audit and Finance Committee	Late January 2025	January 30, 2024
Issuance of financial statements	By January 31, 2025	January 31, 2024

Our Responsibilities

Review of Interim Financial Information

- Issue a review report on the Organization's interim financial information as of and for the six-month period ended April 30, 2024 as to whether the auditor is aware of any material modifications that should be made to the interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

See Engagement Letter in Appendix for full responsibility details

Our Responsibilities

Financial Statement Audit

- To obtain evidence to provide reasonable assurance that the financial statements are free of material misstatement whether caused by error or fraud.
- To issue an auditor's report that includes an opinion that the financial statements are fairly stated in all material respects in accordance with accounting principles generally accepted in the United States of America ("U.S.GAAP").
  - Reasonable assurance is a high level of assurance, but not absolute in detection of material misstatement. Material misstatements are items that would influence users of the financial statements.
  - This process entails an understanding of the Organization and its environment including internal controls to assess the risk of material misstatement and to design tests responsive to those risk to allow support for our opinion.
  - This process entails assessing accounting policies and estimates including disclosures to result in fair presentation.
  - Based on the audit evidence, we will conclude relative to the ability of the entity to continue as a going concern for a reasonable period of time.
  - We will communicate significant matters related to the audit.
- We will also evaluate and report on supplementary information is fairly stated in all material respects when considered in relation to the financial statements as a whole.
- We will also report on compliance with the Organization's investment guidelines and the State Comptroller's investment guidelines for public authorities as of and for the year ended October 31, 2024.

See Engagement Letter in Appendix for full responsibility details

Responsibilities of Management

- Making all management decisions and performing all management functions
- Preparing and presenting the financial statements in conformity with U.S. GAAP
- Access to and accuracy of financial records and related information
- Selecting and applying accounting policies
- Safeguarding of all assets
- Adjusting the financial statements to correct material misstatements
- Establishing and maintaining internal controls and monitoring ongoing activities
- Designing and implementing programs and controls to prevent and detect fraud and informing us of any known and/or suspected fraud
- Evaluating going concern considerations
- Complying with all applicable laws and regulations, contracts, agreements, and grants
- Preparing the supplementary information
- Providing us with a written representation letter regarding certain matters
- Tracking the status of audit findings and recommendations

See Engagement Letter in Appendix for full responsibility details

Responsibilities of Those Charged With Governance

- Overseeing the financial reporting process
- Overseeing the strategic direction of the Organization
- Appointing the auditors, including overseeing our work
- Informing us of all known or suspected fraud involving the Organization
- Resolving disagreements between management and the audit team

See Engagement Letter in Appendix for full responsibility details

Deliverables

Engagement Deliverables

- Issuance of a review report on the April 30, 2024 interim financial information.
- Issuance of an opinion on the October 31, 2024 financial statements and supplementary information.
- Issuance of an Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*
- Report on compliance with the Organization's investment guidelines and the State Comptroller's investment guidelines for public authorities.
- Preparation and signing of Form 990-N (e-Postcard).
- A summary communication document regarding the results of the audit of the Organization with our feedback and insights

Special Factors Impacting This Year

- New accounting standards effective this year will have an immaterial impact.
- A full update of standards effective and pending is at www.gasb.org and we urge management to review and confirm no applicable items of material impact.
- We've shared most current industry updates herein and will review pending, proposed and other future developments during our exit meeting communication, if applicable.

Our Planned Audit Approach

- We will gain an understanding of the Organization’s environment, including internal control, for purpose of:
  - Assessing risk of material misstatement of the financial statements.
  - Designing the nature, timing and extent of further audit procedures

- Material misstatements may result from:
  - Management override of controls
  - Errors
  - Fraudulent financial reporting
  - Misappropriation of assets
  - Violations of laws or governmental regulations

Our Planned Audit Approach

Entity-Wide Considerations

- Entity level controls
- Tone at the top
- Financial reporting practices and oversight
- Financial pressures and regulatory influences
- Technology practices and security
- Fraud assessment and detection
- Assessment of the design of key internal controls over certain transaction cycles and verification that such key controls have been placed into operation
- Assessment as to how the entity adapts to environmental changes such as people, systems, practices and external influences

Specific Areas of Focus

- Confirmation of cash/investment balances and review of restricted cash/investment balances.
- Accounts receivable and related reserve for uncollectible receivables.
- Useful lives of capital assets and accounting for capital expenditures.
- Confirmation of long-term debt and compliance with debt and other agreements.
- Classification of net position (deficit) between net investment in capital assets, restricted and unrestricted.
- Revenue recognition, particularly relating to leases Assessment of litigation, claims and assessments.
- Validity and support for adjusting and other entries to the books and records.
- Evaluation of the completeness and accuracy of presentation of the financial statements and related note disclosures.
- Our professional standards require us to incorporate an element of unpredictability into the selection of our audit procedures from year to year. We will share the results of those tests when we meet with you to discuss the results of the audit process
- Compliance with the Organization's investment guidelines and the State Comptroller's guidelines for public authorities

Our Planned Audit Approach: Significant Audit Risks

Significant Audit Risks The audit risk assessment process is continuous, and as such, could result in additional significant risks identified as we perform our audit. If we identify additional significant risks, we will communicate those to you at that time.

Description of Risk	Potential Risk	Audit Response
Management Override of Controls **(Significant Fraud Risk)**	Misappropriation of assets/improper financial reporting	Procedures we expect to perform include the following: • Fraud risk inquiries of senior management and other employees, including inquiries related to improper or unusual journal entry activity. • Retrospective review of significant accounting estimates to see if such estimates reflect bias on the part of management. • Journal entry testing for validity, support and approvals.
Income related to tax payments in lieu of taxes (PILOT) could be misstated which could have a material impact on the financial statements.	Input or accounting errors. Calculations not being performed correctly.	We will perform a test of details over a sample of transactions and walkthrough of the Organization's key controls over the calculation, billing and recognition of PILOT revenues.

Our Planned Audit Approach

Other Considerations

- The use of technology is now routine to aid in the rigor of the audit process.
- Audits are a combination of risk assessments, random samples, targeted inspection of inherently riskier transactions and transactions of greater interest given data analytics and other factors.
- We will use technology to select journal entries for testing with a focus on validity and support on what we consider to be potential unusual items within that data set.

Our Planned Audit Approach

Fraud Related Procedures

Our Approach	▪ Questionnaires to key employees regarding fraud matters ▪ Oral inquiries with certain members of the management team and those charged with governance ▪ Consideration of incentives, pressures, opportunities, and attitudes/tone at the top ▪ Understanding of internal controls at various levels ▪ Follow-up on noted matters, considering the effect on the audit plan
Inquiries of Governance	▪ Are you aware of any fraud, suspected fraud or allegations? ▪ Are you aware of any potential conflicts of interest or related party transactions? ▪ Do you have any concerns about specific exposures to fraud or accounts that may be susceptible to fraud? ▪ Has management discussed internal control to prevent, detect and deter material fraud with the Committee? ▪ Is there actual or potential litigation, claims, or assessments that may give rise to a contingency where an accrual or disclosure would be required ▪ Are there any other risks/areas of concern?

Our Planned Audit Approach: Unpredictability + Other Procedures

We perform additional procedures beyond what might be required under U.S. GAAS utilizing Data Analytics tools which are tools to analyze data from the Organization's general ledger, accounts payable and payroll systems searching for outliers and anomalies. These procedures are related to **reputational risks** and to identify **potential fraud risks**, even if not material. For any exceptions or anomalies noted we will corroborate to supporting documentation and make inquiries of management to ensure that exceptions are valid. Some of the additional procedures may include:

- Evaluating the controls in place for management-level employee reimbursements and credit card charges and reviewing several of these items
- Scanning the list of major vendors receiving disbursements
- Comparing the employee list with the vendor database
- Unpredictability testing – Not disclosed but discussed that our audit always considers certain procedures

Are there any other additional procedures that the committee members would like to see performed during the current year audit?

Relationship and Independence

CBIZ has been engaged to prepare tax return filings. We have concluded these are permitted non-audit service not impairing independence

No consulting services outside of routine advice relative to accounting and tax matters

No known roles of our people or their relatives in any management or oversight role

No known financial interrelationships of either the firm or its people with the Organization

CBIZ is a business consulting, tax, and financial services provider that works closely with CBIZ CPAs P.C., an independent CPA firm that provides audit, review, and attest services. CBIZ and CBIZ CPAs P.C. are members of Kreston Global, an international network of independent accounting firms. In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

New Developments & Forward Considerations – GASB Pronouncements

Development	What's Changing	When Are the Changes Effective	Recommended Actions
GASB 100, *Accounting Changes and Error Corrections – An Amendment to GASB Statement No. 62*	Enhances accounting and financial reporting requirements for accounting changes and error corrections.	Accounting changes and error corrections in fiscal years beginning after June 15, 2023 (i.e., FY 2024).	The adoption of GASB 100 will only have an impact in fiscal years that the Organization is required to adopt new reporting standards or must correct errors. There was no impact on the April 30, 2024 interim financial information.

New Developments & Forward Considerations – GASB Pronouncements

Development	What's Changing	When Are the Changes Effective	Recommended Actions
GASB 101, *Compensated Absences*	Updates the measurement and recognition guidance for compensated absences and amends certain previously required disclosures.	Fiscal years beginning after December 15, 2023 (i.e., FY 2025).	The Organization should review their policies relating to accrued time off and the related payments to determine if the standard will an effect on their financial statements.

New Developments & Forward Considerations – GASB Pronouncements

Development	What's Changing	When Are the Changes Effective	Recommended Actions
GASB 102, *Certain Risk Disclosures*	Improves financial reporting by providing timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.	Fiscal years beginning after June 15, 2024 (i.e., FY 2025).	▪ Understand the standard ▪ Model the effects ▪ Review with external auditors ▪ Communicate impact
GASB 103, *Financial Reporting Model Improvements*	Seeks to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability	Fiscal years beginning after June 15, 2025 (i.e., FY 2026).	▪ Understand the standard ▪ Model the effects ▪ Review with external auditors ▪ Communicate impact

Questions and Discussion

CBIZ CPAs

Appendices

- Appendix A - Background on CBIZ
- Appendix B - Engagement Letter

Company Overview

A National Leader in Accounting, Tax & Advisory Services

- Eleventh largest national accounting provider

Practice Structure

- CBIZ provides tax and consulting services
- Like many other national firms, our tax and attest practices are organized as separate and independent legal entities that work seamlessly together to serve our clients

CBIZ is a business consulting, tax, and financial services provider that works closely with CBIZ CPAs P.C., an independent CPA firm that provides audit, review, and attest services. CBIZ and CBIZ CPAs P.C. are members of Kreston Global, an international network of independent accounting firms. In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

CBIZ CPAs National Not-for-Profit Practice Overview

Our National Not-for-Profit Practice provides unique insight, superior quality, and consistency to all not-for-profit clients across our organization. This experience, combined with our active participation in organizations that matter to you offers a deeper level of industry immersion, and thus a deeper knowledge of your organization.

3,500+

Not-for-profit Clients Served Nationwide

INDUSTRY EXPERTISE

- Arts & Cultural Institutions
- Colleges, Universities & Schools
- Public Charities
- Private Foundations
- Health & Welfare Organizations
- Professional & Membership Trade Associations
- Religious Entities
- Government

CBIZ CPAs Local Nonprofit, & Government Qualifications Experience

We are equally committed to meeting the needs of our tax-exempt and government entity clients.

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How We Seek to Add Value

Seminars & Webinars	Regular Client Communications	Proactive Implementation of New Standards	Not-For-Profit Newsletter	Resource Center
Complimentary virtual/in-person events designed to cover accounting, tax, business, technology and other areas of importance to our clients	Year-round communication from our team in person, by phone, through a virtual meeting, or via email	Provide templates, training, tools, and best practices as new standards are introduced	The Not-For-Profit Viewpoint Monthly newsletter covering topics that impact not-for-profit and education organizations	Inflation Resource Center Our program to provide companies with articles, podcasts, webinars, guides and more to help navigate these unprecedented times

Sign up to receive our newsletters and alerts here: bit.ly/CBIZandMHMNewsletters

Supporting Innovation and Mitigating Risks:

In addition to our capable attest, audit, tax compliance and related tax advisory services, we can assist with other business services when they fit with our core engagement as follows:

- Cybersecurity and Information Technology
- Compensation Advisory, Executive Search and Benefits Cost Savings Opportunities
- AI Planning, Management and Administration
- State Privacy Legislation Compliance
- Insurance and Risk Management
- Accounting and Business Advisory
- Investment Advisory

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How We Embrace Our People

We strive to strengthen our culture to enable a feeling of belonging for all team members in a variety of ways, including:

Diversity & Inclusion Task Force

Leaders from across the company tasked with accelerating our efforts nationally, using a three pronged-approach:

Retention, Recruitment, Awareness & Education

CEO ACTION FOR DIVERSITY & INCLUSION

The largest CEO-driven business commitment to diversity and inclusion within the workplace

TRAINING, LEARNING & DEVELOPMENT

New and enhanced D&I training, and integration of D&I into existing learning and development programs

EMPLOYEE RESOURCE GROUPS

BIPOC CBIZ

CBIZ PRIDE

CBIZ WOMEN'S ADVANTAGE

CBIZ YOUNG PROFESSIONALS

EMPLOYEE BENEFITS

Domestic partner benefits, flexible work arrangements, paid parental leave, expecting parents' programs, childcare resources, etc. to attract and retain a diverse workforce

RECENT IMPACT

Since 2020, our hiring of professionals from underrepresented ethnicities has **increased by 59%**. Also, in 2022, **51% of hires were female.**

CBIZ is a business consulting, tax, and financial services provider that works closely with CBIZ CPAs P.C., an independent CPA firm that provides audit, review, and attest services. CBIZ and CBIZ CPAs P.C. are members of Kreston Global, an international network of independent accounting firms. In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

CBIZ CPAs

Via Email: pamela.frederick@bpca.ny.gov

September XX, 2024

Audit and Finance Committee
c/o Ms. Pamela Frederick, Chief Financial Officer
Hugh L. Carey Battery Park City Authority
200 Liberty Street, 24th Floor
New York NY 10281

Dear Audit and Finance Committee Members:

This engagement letter is made subject to the Consultant Agreement between Marks Paneth LLP and Hugh L. Carey Battery Park City Authority (the "Entity") dated August 12, 2021 (the "Contract"), as assigned to and assumed by CBIZ CPAs P.C. ("CBIZ CPAs")[1], by the Consent to Assignment Agreement dated November 15, 2022 ("Assignment Agreement"). All terms and conditions of the Contract shall apply in full force and effect to the services performed under this engagement letter. In the event of any confusion or conflict between the terms of the Contract and the terms of this engagement letter, the terms of the Contract shall prevail.

ENGAGEMENT OBJECTIVES

1. We will audit the following financial statements as of October 31, 2024 and for the year then ended, and the related notes to the financial statements (collectively, "the financial statements"):

   A. Statement of Net Position
   B. Statement of Revenues, Expenses and Changes in Net Position
   C. Statement of Cash Flows

   Also, accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Entity's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited.

   1. Management's Discussion and Analysis
   2. Schedule of the Organization's Proportionate Share of the Net Pension Liability
   3. Schedule of Employer Contributions
   4. Schedule of Changes in Total OPEB Liability and Related Ratios

[1] In certain jurisdictions, CBIZ CPAs P.C. is licensed and operates under its previous name, Mayer Hoffman McCann P.C.

We have also been engaged to report on supplementary information other than RSI that accompanies the Organization's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with US GAAS, and we will provide an opinion in relation to the financial statements as a whole.

1. Combining Statement of Net Position (Deficit)
2. Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit)
3. Combining Statement of Cash Flows

The objectives of our audit 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, about whether the Entity's financial statements are fairly presented, in all material respects, in conformity with US GAAP and to report on the fairness of the additional information when considered in relation to the financial statements taken as a whole. 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 US GAAS and *Government Auditing* Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

We will also provide a report, which does not include an opinion, on internal controls related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states the report is solely to describe the scope and 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 internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and that the report is not suitable for any other purpose.

2. In conjunction with the annual audit, we will also review the Entity's unaudited interim financial information as of and for the six-month information ending April 30, 2024, and issue written review reports thereon in accordance with standards issued by the American Institute of Certified Public Accountants (AICPA).

3. We will also issue a report on the Entity's compliance with its investment guidelines – as part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform certain tests and report on the Entity's compliance with its investment guidelines as of and for the year ended October 31, 2024.

OUR RESPONSIBILITIES

Audit

Our audit will be conducted in accordance with US GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion.

As part of our audit, we will exercise professional judgment and maintain professional skepticism throughout the engagement. We will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of the Entity and its environment, including the system 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 Entity's internal control.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We will issue a written report upon completion of our audit of the Entity's financial statements. Our report will be addressed to the Members of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts (e.g., tests of the physical existence of inventories, direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions, etc.). We may also request written representations from the Entity's attorneys as part of the engagement, and they may bill the Entity for responding to this inquiry.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Internal Control
Our audit will include obtaining an understanding of the Entity and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

An audit is not designed to provide assurance on internal controls or to identify control deficiencies. Accordingly, we will express no such opinion. However, we will inform management and those charged with governance of internal control matters that are required to be communicated under professional standards.

Compliance
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The services described above do not relieve management or those charged with governance of their responsibilities.

REVIEW OBJECTIVE AND PROCEDURES
The objective of a review of interim financial information is to provide a basis for reporting whether there are any material modifications that should be made to the interim financial information for it to conform with US GAAP. We are responsible for conducting the reviews in accordance with US GAAS applicable to reviews of interim financial information. A review of interim financial information consists principally of performing analytical procedures and making inquiries of persons responsible for financial and accounting matters. It includes obtaining sufficient knowledge of the Entity's business and its internal control as it relates to the preparation and fair presentation of both annual and interim financial information to identify the types of potential material misstatements in the interim financial information, consider the likelihood of their occurrence, and select the inquiries and analytical procedures that will provide a basis for reporting whether we are aware of any material modifications that should be made to the interim financial information for it to conform with US GAAP. A review

is substantially less in scope than an audit conducted in accordance with US GAAS, the objective of which is the expression of an opinion regarding the financial information taken as whole. Accordingly, we will not express an opinion on the interim financial information.

A review does not provide a basis for expressing an opinion about whether the financial information is presented fairly, in all material respects, in conformity with US GAAP. In addition, a review does not provide assurance that we will become aware of all significant matters that would be identified in an audit. A review is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. We will, however, communicate to you and those charged with governance any significant deficiencies or material weaknesses in internal control that we identify during the performance of our review procedures.

You agree to include our review report in any document, report, or written communication that contains the interim financial information and states that the information has been reviewed by us or makes reference to our association with the interim financial information.

THOSE CHARGED WITH GOVERNANCE

The preparation and presentation of the financial statements of the Entity are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for overseeing the strategic direction of the Entity and any obligations related to its accountability, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services described above, and informing us about all known or suspected fraud involving the Entity. In turn, we will provide those charged with governance with any communications required by the professional standards described above.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Our audit will be conducted on the basis that management or those charged with governance acknowledge and understand that they have responsibility

a. For the preparation and fair presentation of the financial statements in accordance with US GAAP;
b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error including monitoring ongoing activities; and
c. To provide us with
    i. All financial records and related information and management is responsible for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers).
    ii. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters;
    iii. Additional information that we may request from management for the purpose of the audit; and
    iv. Unrestricted access to persons with the Entity from whom we determine it necessary to obtain audit evidence.
d. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
e. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
f. For the accuracy and completeness of all information provided.

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services, any bookkeeping services, financial statement preparation services, tax services, or other services we or our associated company CBIZ, Inc. (or its related entities (collectively with CBIZ, Inc., "CBIZ")) provides. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them. Nonaudit services or other services in this letter do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards.*

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (a) access to all information they are aware of that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of this engagement, and (c) unrestricted access to persons within the Entity from whom we determine it necessary to obtain information.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, for the safeguarding of assets, and for the preparation and fair presentation of the financial statements in conformity with US GAAP even though we may assist management with their preparation. Accordingly, management may be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Entity involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of any known allegations of fraud or suspected fraud affecting the Entity received in communications from employees, former employees, regulators, or others. In addition, management is also responsible for identifying and ensuring that the Entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for the preparation of the supplementary information in conformity with the basis described previously in this letter. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

During the course of our engagement, we will request information and explanations from management regarding the Entity. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations about the financial statements and related matters in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Entity agrees to release our firm, its shareholders, and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Entity's management.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other related studies. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. Management is responsible for providing its views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

ENGAGEMENT FEES

We will complete the aforementioned services as of and for the six-month period ended April 30, 2024 and as of and for the year ended October 31, 2024 for a fixed fee of $128,100 allocated as follows:

April 30, 2024 Interim Review	$ 20,000
October 31, 2024 Audit	108,100
	$128,100

Payments for these services will be made following receipt of a Proper Invoice (pursuant to, and as such term is defined in BPCA's Prompt Payment Policy, a copy of which can be found at https://media.bpca.ny.gov/wp-content/uploads/2024/01/31095606/BPCA-Prompt-Payment-Policy-Fiscal-Year-2023.pdf

We request that payments for these services be in the offices of MHM no later than the following dates/events specified below:

Delivery of review report	$ 20,000
December 1, 2024	26,000
December 15, 2024	26,000
January 15, 2025	26,000
Issuance of financial statements	30,100
	$128,100

Note: The delivery of the financial statements occurs after acceptance by the Audit and Finance Committee.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality, and completeness of the Entity's records and, where applicable, upon the Entity's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Entity employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.). Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable. In addition, fees for any related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements. If there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that was not anticipated in our fees, there may also be additional billings.

The fee estimate above assumes no adjustments will be necessary for routine accounting entries normally made before the beginning of the engagement. If, for any reason, we are asked to assist in the preparation of these entries, before beginning this service, we will provide an estimate of the time required to perform such services and the additional fees to be billed.

Enclosed, as required by *Government Auditing Standards,* is a copy of the report on the most recent peer review of our firm.

We appreciate the opportunity to provide these services and believe this letter accurately reflects the terms of our engagement. Please sign the enclosed copy of this letter and return it to us.

Very truly yours,

Warren Ruppel, CPA
Shareholder
CBIZ CPAs P.C.

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Hugh L. Carey Battery Park City Authority

By______________________________
Pamela Frederick, Chief Financial Officer

Date________________________

Report on the Firm's System of Quality Control

September 22, 2023
To the Shareholders of Mayer Hoffman McCann P.C.
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice applicable to engagements not subject to PCAOB permanent inspection of Mayer Hoffman McCann P.C. (the firm) in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control applicable to engagements not subject to PCAOB permanent inspection for the accounting and auditing practice of Mayer Hoffman McCann P.C. in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies),* or *fail*. Mayer Hoffman McCann P.C. has received a peer review rating of *pass*.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Weaver and Tidwell, L.L.P.
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