

Hugh L. Carey Battery Park City Authority
Meeting of the Audit & Finance Committee
200 Liberty Street, 24th floor
New York, New York 10281
October 1, 2025
1:00 p.m.

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF THE MARCH 5, 2025 MINUTES
- III. SIX-MONTH FINANCIAL STATEMENT ENDING APRIL 30, 2025
- IV. AUDIT PLAN FOR FISCAL YEAR END
- V. MOTION TO ADJOURN

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

Financial Statements

April 30, 2025 and 2024 (Unaudited)

(With Independent Auditors' Review Report Thereon)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

April 30, 2025 and 2024 (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, 2025 and 2024, 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 17, the schedule of the Authority's proportionate share of the net pension liability on page 59, the schedule of employer contributions on page 60, and the schedule of changes in total OPEB liability and related ratios on page 61, 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.

New York, NY
July XX, 2025

DRAFT - Subject to Material Change 9-18-25

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

April 30, 2025 and 2024 (Unaudited)

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, 2025 and 2024. 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. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Comparison of 2025 to 2024 and 2024 to 2023

Financial Highlights – 2025

- The six-month period ended April 30, 2025 yielded a total of \$211.5 million in operating revenues, representing an increase of \$3.1 million or 1.5% compared to the six-month period ended April 30, 2024. Payments in lieu of real estate taxes ("PILOT") revenue totaling \$149.6 million (71% of the Authority's operating revenues for the six-month period ended April 30, 2025), increased \$3.7 million or 2.5% compared to the six-month period ended April 30, 2024. Base rent decreased \$161 thousand or 0.7% to \$23.7 million for the six-month period ended April 30, 2025. Lease interest and other revenue decreased \$385 thousand or 1.0% to \$38.1 million for the six-month period ended April 30, 2025. Total operating expenses increased \$1.2 million or 4.0% to \$31.8 million for the six-month period ended April 30, 2025.
- A transfer of \$182.5 million was made in June 2025 to the City of New York (the "City") to fulfill the annual obligation under the Settlement Agreement for the fiscal year ended October 31, 2024. An \$89.9 million provision was recorded representing a portion of the PILOT estimated for fiscal year 2025 excess revenues that was charged to nonoperating expense for the six-month period ended April 30, 2025 (see note 13), an increase of \$5.0 million as compared to the six-month period ended April 30, 2024.
- As of April 30, 2025, \$204.3 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 \$337.5 million as of April 30, 2024.

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. 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 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, an increase of \$2.1 million as compared to the six-month period ended April 30, 2023.

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April 30, 2025 and 2024 (Unaudited)

- 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, as compared to \$40.5 million as of April 30, 2023. The increase was derived from the 2023 bond issuance proceeds.

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, 2025, 2024 and 2023 is as follows:

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	April 30			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Assets:					
Bank deposits, investments and rents and other receivables	\$ 19,684,971	18,851,007	21,963,963	833,964	(3,112,956)
Bond resolution restricted assets (current and noncurrent)	623,515,351	738,609,710	431,683,768	(115,094,359)	306,925,942
Battery Park City project assets, net	815,433,060	669,844,773	568,250,705	145,588,287	101,594,068
Lease and accrued interest receivables	1,754,667,538	1,752,606,263	1,769,618,907	2,061,275	(17,012,644)
Other current and noncurrent assets	154,933,876	280,034,635	239,355,846	(125,100,759)	40,678,789
Total assets	3,368,234,796	3,459,946,388	3,030,873,189	(91,711,592)	429,073,199
Deferred Outflows of Resources:					
Deferred pension outflows	4,888,083	5,395,721	5,922,029	(507,638)	(526,308)
Deferred OPEB outflows	9,886,910	4,138,488	4,942,094	5,748,422	(803,606)
Unamortized loss on extinguishment of bonds	-	-	11,285,249	-	(11,285,249)
Deferred costs of refunding, less accumulated amortization	-	-	56,837,477	-	(56,837,477)
Total deferred outflows of resources	14,774,993	9,534,209	78,986,849	5,240,784	(69,452,640)
Total assets and deferred outflows of resources	\$ 3,383,009,789	3,469,480,597	3,109,860,038	(86,470,808)	359,620,559
Liabilities:					
Current liabilities	\$ 463,820,666	416,760,219	367,703,609	47,060,447	49,056,610
Long-term liabilities	1,230,403,114	1,264,392,945	1,002,331,201	(33,989,831)	262,061,744
Total liabilities	1,694,223,780	1,681,153,164	1,370,034,810	13,070,616	311,118,354
Deferred Inflows of Resources:					
Deferred lease inflows	1,727,820,064	1,772,511,030	1,836,012,048	(44,690,966)	(63,501,018)
Deferred pension inflows	2,821,569	704,638	9,519,402	2,116,931	(8,814,764)
Deferred OPEB inflows	15,449,237	17,440,491	17,741,117	(1,991,254)	(300,626)
Accumulated change in fair value of interest rate swaps	-	-	22,018,440	-	(22,018,440)
Unamortized gain on extinguishment of bonds	8,494,961	10,942,733	-	(2,447,772)	10,942,733
Total deferred inflows of resources	1,754,585,831	1,801,598,892	1,885,291,007	(47,013,061)	(83,692,115)
Total liabilities and deferred inflows of resources	3,448,809,611	3,482,752,056	3,255,325,817	(33,942,445)	227,426,239
Net Position (Deficit):					
Net investment in capital assets	314,100,390	265,863,903	64,975,637	48,236,487	200,888,266
Restricted	94,074,826	229,588,789	150,845,860	(135,513,963)	78,742,929
Unrestricted	(473,975,038)	(508,724,151)	(361,287,276)	34,749,113	(147,436,875)
Total net deficit	(65,799,822)	(13,271,459)	(145,465,779)	(52,528,363)	132,194,320
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 3,383,009,789	3,469,480,597	3,109,860,038	(86,470,808)	359,620,559

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

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Assets and Deferred Outflows of Resources

2025 vs. 2024

At April 30, 2025, the Organization maintained total assets and deferred outflows of resources of approximately \$3.38 billion, approximately \$86.5 million lower than \$3.47 billion at April 30, 2024, due to the reduction in the Authority's joint purpose funds of \$138.0 million for the funding of the payment to the City. Additionally, there was a \$115.1 million decrease in the bond resolution fund accounts. These decreases were offset by the increase of \$145.6 million in the Authority's project assets.

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.

Bank Deposits, Investments, Rents and Other Receivables

2025 vs. 2024

Bank deposits, investments, and rents and other receivables held at April 30, 2025 increased \$834 thousand over April 30, 2024. Bank deposits and investments increased by \$263 thousand as a result of the increase in the unpledged revenue fund account. Rents and other receivables increased by \$570 thousand, consisting of an increase in total rental receivables of \$4.7 million, which was offset by an increase in the allowance for doubtful accounts of \$4.1 million.

2024 vs. 2023

Bank deposits, investments, and rents and other receivables held at April 30, 2024 decreased \$3.1 million over April 30, 2023 as a result of the \$1.2 million decrease in the unpledged revenue fund account along with a decrease of \$1.9 million in total receivables.

Bond Resolution Restricted Assets

2025 vs. 2024

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 \$623.5 million at April 30, 2025 were \$115.1 million lower than the fair value of assets held at April 30, 2024 of \$738.6 million (see note 8) due to the use of the bond proceeds.

Funds held in the Pledged Revenue Fund of \$71.7 million at April 30, 2025 were \$5.3 million more than funds held at April 30, 2024.

Funds held in the Debt Service Funds of \$140.9 million at April 30, 2025 were \$3.4 million more than funds at April 30, 2024.

Funds held in the Project Operating Fund of \$22.4 million at April 30, 2025 were \$1.8 million higher than funds at April 30, 2024.

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Funds held in the Residual Fund for payment to the City of \$184.2 million at April 30, 2025 were \$7.7 million higher than funds held at April 30, 2024.

Funds held under the resolution for project infrastructure and certain other asset costs were \$204.3 million as of April 30, 2025, or \$133.2 million less than April 30, 2024, due to the Authority's resiliency program.

2024 vs. 2023

Bond resolution restricted 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 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.

Lease and Accrued Interest Receivables

2025 vs 2024

For the six-month period ended April 30, 2025, lease receivables, including an increase in accrued interest of \$8.0 million, were recognized in accordance with GASB 87. Such assets of \$1.75 billion at April 30, 2025 were \$2.1 million higher than the value of assets held at April 30, 2024 of \$1.75 billion (see note 14b).

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.

Project Assets

At April 30, 2025, the Authority's investment in project assets, net of accumulated depreciation was \$815.4 million, an increase of \$145.6 million over April 30, 2024. 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.

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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, 2025, 2024, and 2023 were as follows:

		April 30			2025 vs	2024 vs
		2025	2024	2023	2024	2023
Land	\$	83,015,653	83,015,653	83,015,653	-	-
Site improvements		517,108,425	506,245,521	496,385,485	10,862,904	9,860,036
Residential building and condominium units		147,252,963	147,211,386	147,058,282	41,577	153,104
Construction in progress		290,447,671	144,815,016	42,333,030	145,632,655	102,481,986
		1,037,824,712	881,287,576	768,792,450	156,537,136	112,495,126
Less: accumulated depreciation		(222,391,652)	(211,442,803)	(200,541,745)	(10,948,849)	(10,901,058)
Total Battery Park City project assets	\$	815,433,060	669,844,773	568,250,705	145,588,287	101,594,068

2025 vs. 2024

For the six-month period ended April 30, 2025, the increase to site improvements relates to the dog run upgrades, ballfield turf replacement and other capital improvements. The increase in construction in progress largely reflects investments in resiliency capital improvements.

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.

Other Current and Noncurrent Assets

Other current and noncurrent assets at April 30, 2025, 2024, and 2023 were as follows:

		April 30			2025 vs	2024 vs
		2025	2024	2023	2024	2023
Residential lease required funds	\$	32,967,850	31,405,312	29,326,134	1,562,538	2,079,178
Corporate-designated, escrowed and OPEB funds		109,918,308	235,457,252	171,063,876	(125,538,944)	64,393,376
Fair value of interest rate swaps		-	-	22,018,440	-	(22,018,440)
Other assets		12,047,718	13,172,071	16,947,396	(1,124,353)	(3,775,325)
Total other current and noncurrent assets	\$	154,933,876	280,034,635	239,355,846	(125,100,759)	40,678,789

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

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2025 vs. 2024

Total other current and noncurrent assets decreased \$125.1 million from \$280.0 million at April 30, 2024 to \$154.9 million at April 30, 2025.

Residential lease required funds, which include security deposits held for condominium buildings, increased by \$1.6 million.

Overall, corporate-designated, escrowed, and OPEB funds decreased \$125.5 million from April 30, 2024, primarily due to the decrease in the Joint Purpose Fund for the funding of the payment to the City.

Other assets decreased \$1.1 million from April 30, 2024.

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.

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.

Deferred Outflows of Resources

Deferred outflows of resources at April 30, 2025, 2024 and 2023 were as follows:

	April 30			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Deferred pension outflows	\$ 4,888,083	5,395,721	5,922,029	(507,638)	(526,308)
Deferred OPEB outflows	9,886,910	4,138,488	4,942,094	5,748,422	(803,606)
Unamortized loss on extinguishment of bonds	-	-	11,285,249	-	(11,285,249)
Deferred costs of refunding, less accumulated amortization	-	-	56,837,477	-	(56,837,477)
Total deferred outflows of Resources	\$ 14,774,993	9,534,209	78,986,849	5,240,784	(69,452,640)

2025 vs. 2024

The \$4.9 million at April 30, 2025 represents the Authority's portion of the deferred pension outflows from the New York State pension plan (see note 17).

The \$9.9 million at April 30, 2025 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 18).

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

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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.

The \$4.1 million at April 30, 2024 represents the Authority's deferred OPEB outflows resulting from GASB 75.

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

Liabilities

Total liabilities at April 30, 2025, 2024 and 2023 were as follows:

		April 30			2025 vs	2024 vs
		2025	2024	2023	2024	2023
Current liabilities:						
Accrued interest on bonds	\$	23,235,504	32,898,301	10,318,347	(9,662,797)	22,579,954
Accounts payable and other liabilities		45,392,464	28,132,152	15,509,253	17,260,312	12,622,899
Accrued pension payable		4,739,793	6,865,272	-	(2,125,479)	6,865,272
Lease liability and accrued interest payable		1,424,070	1,443,458	1,426,697	(19,388)	16,761
Due to the City of New York		272,416,673	259,269,385	253,204,922	13,147,288	6,064,463
Due to the State of New York		5,000,000	5,000,000	-	-	5,000,000
Due to the City of New York						
2024 Agreement		23,650,119	-	-	23,650,119	-
Due to the Port Authority of NY & NJ			869,381	869,381	(869,381)	-
Unearned revenue		53,442,305	53,397,532	50,725,171	44,773	2,672,361
Security and other deposits		4,738	4,738	4,738	-	-
2013 Revenue Bonds		-	-	29,760,000	-	(29,760,000)
2019 Revenue Bonds		-	-	4,635,000	-	(4,635,000)
2023 Revenue Bonds		34,515,000	28,880,000	-	5,635,000	28,880,000
2023 Revolver Payable		-	-	1,250,100	-	(1,250,100)
Total current liabilities		463,820,666	416,760,219	367,703,609	47,060,447	49,056,610
Noncurrent liabilities:						
Unearned revenue		16,632,186	19,464,273	23,334,606	(2,832,087)	(3,870,333)
Security and other deposits		33,188,724	31,627,624	30,048,446	1,561,100	1,579,178
Lease liability		7,207,610	8,611,461	10,027,564	(1,403,851)	(1,416,103)
OPEB		45,031,506	36,496,279	35,992,761	8,535,227	503,518
Imputed borrowing		-	-	56,837,477	-	(56,837,477)
Bonds outstanding, net:						
2013 Revenue Bonds		-	-	145,209,209	-	(145,209,209)
2019 Revenue Bonds		381,681,593	384,198,866	700,881,138	(2,517,273)	(316,682,272)
2023 Revenue Bonds		746,661,495	783,994,442	-	(37,332,947)	783,994,442
Total noncurrent liabilities		1,230,403,114	1,264,392,945	1,002,331,201	(33,989,831)	262,061,744
Total liabilities	\$	1,694,223,780	1,681,153,164	1,370,034,810	13,070,616	311,118,354

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

April 30, 2025 and 2024 (Unaudited)

2025 vs. 2024

The Organization's total liabilities increased \$13.1 million from \$1.68 billion at April 30, 2024 to \$1.69 billion at April 30, 2025.

Total liabilities comprise amounts due to the City, the State of New York, 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 \$13.1 million increase in total liabilities is due to:

- a \$9.7 million decrease in accrued interest payable on bonds from \$32.9 million at April 30, 2024 to \$23.2 million at April 30, 2025 due to lower outstanding amounts and lower interest rates.
- a \$17.3 million increase in accounts payable and other liabilities from \$28.1 million at April 30, 2024 to \$45.4 million at April 30, 2025, due to a \$9 million increase in accrued expenses plus a \$8 million increase in contract retention related to the Authority's capital program.
- a \$1.4 million decrease in lease liability from \$10.0 million at April 30, 2024 to \$8.6 million at April 30, 2025.
- the liability due to the City includes an \$89.9 million provision recorded for the period ended April 30, 2025, representing a portion of the estimated fiscal year 2025 PILOT-related excess revenues and \$182.5 million payable from the previous fiscal year ended October 31, 2024, to be transferred to the City in 2025. The \$272.4 million due to the City was \$13.1 million higher compared to the amount due at April 30, 2024.
- the liability due to the City for the 2024 Settlement Agreement includes a \$23.7 million provision recorded for the period ended April 30, 2025 (see note 13).
- a \$2.8 million decrease to \$70.1 million in unearned revenue from \$72.9 million at April 30, 2024, due to revenue of \$2.8 million recognized on leases.
- a \$1.6 million increase in total security and other deposits to \$33.2 million at April 30, 2025. Security deposits are held primarily for condominium leases.
- the Organization had a \$45.0 million OPEB liability at April 30, 2025, an increase of \$8.5 million from \$36.5 million at April 30, 2024. Corporate assets held at April 30, 2025 in separate corporate OPEB accounts for the exclusive purpose of paying OPEB obligations were approximately \$43.6 million.
- a \$2.5 million decrease in 2019 Revenue Bonds outstanding (see note 16).
- a \$31.7 million decrease in 2023 Series A, B and C Revenue Bonds outstanding (see note 16).

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.

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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.
- 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.
- 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 \$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.
- 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.
- 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.
- 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.

Deferred Inflows of Resources

Deferred inflows of resources at April 30, 2025, 2024, and 2023 were as follows:

	April 30			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Deferred Inflows of Resources:					
Deferred lease inflows	\$ 1,727,820,064	1,772,511,030	1,836,012,048	(44,690,966)	(63,501,018)
Deferred pension inflows	2,821,569	704,638	9,519,402	2,116,931	(8,814,764)
Deferred OPEB inflows	15,449,237	17,440,491	17,741,117	(1,991,254)	(300,626)
Unamortized gain on extinguishment of bonds	8,494,961	10,942,733	-	(2,447,772)	10,942,733
Accumulated change in fair value of interest rate swaps	-	-	22,018,440	-	(22,018,440)
Total deferred inflows of resources	\$ 1,754,585,831	1,801,598,892	1,885,291,007	(47,013,061)	(83,692,115)

2025 vs. 2024

Deferred lease inflows of \$1.73 billion at April 30, 2025 represents the Authority's deferred lease inflows resulting from GASB 87 (see note 7). The \$44.7 million change reflects the recognition of revenue over the six-month period ended April 30, 2025.

Deferred pension inflows of \$2.8 million at April 30, 2025 represents the Authority's portion of the deferred pension inflows from the New York State pension plan (see note 17).

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Deferred OPEB inflows of \$15.4 million at April 30, 2025 represents the Authority's deferred OPEB inflows resulting from GASB 75 (see note 18).

The unamortized gain on extinguishment of bonds decreased by \$2.4 million from April 30, 2024 to April 30, 2025.

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. The \$63 million change reflects the recognition of revenue over the six-month period ended April 30, 2024.

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

Net Position (Deficit)

	April 30			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Net Position (deficit):					
Net investment in capital assets	\$ 314,100,390	265,863,903	64,975,637	48,236,487	200,888,266
Restricted	94,074,826	229,588,789	150,845,860	(135,513,963)	78,742,929
Unrestricted	(473,975,038)	(508,724,151)	(361,287,276)	34,749,113	(147,436,875)
Total net position (deficit) \$	(65,799,822)	(13,271,459)	(145,465,779)	(52,528,363)	132,194,320

2025 vs. 2024

The change in total net position (deficit) from April 30, 2025 represents a negative change in the deficit position of \$52.5 million from (\$13.3) million at April 30, 2024 to (\$65.8) million at April 30, 2025.

Net investment in capital assets was a surplus of \$314.1 million and \$265.9 million at April 30, 2025 and 2024, respectively. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities. The Organization's \$94.1 million of restricted net position at April 30, 2025 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 \$474.0 million at April 30, 2025 resulting in part from the cumulative net excess revenues, which are transferred to the City annually.

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.

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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, 2025, 2024, and 2023:

	April 30			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Operating revenues:					
Revenues from ground leases:					
Base rent	\$ 23,736,282	23,897,414	22,370,026	(161,132)	1,527,388
Payments in lieu of real estate taxes	149,608,907	145,926,405	140,395,896	3,682,502	5,530,509
Lease interest and other revenue	38,109,867	38,495,361	41,082,418	(385,494)	(2,587,057)
Total operating revenues	211,455,056	208,319,180	203,848,340	3,135,876	4,470,840
Operating expenses:					
Wages and related benefits	10,397,327	9,508,663	8,928,096	888,664	580,567
OPEB	2,064,546	1,140,138	723,698	924,408	416,440
Other operating and administrative expenses	12,740,879	14,115,540	14,313,860	(1,374,661)	(198,320)
Depreciation and amortization	6,555,849	5,785,882	6,534,156	769,967	(748,274)
Total operating expenses	31,758,601	30,550,223	30,499,810	1,208,378	50,413
Operating income	179,696,455	177,768,957	173,348,530	1,927,498	4,420,427
Nonoperating revenues (expenses):					
Investment and other income (loss)	16,270,573	24,454,584	13,103,098	(8,184,011)	11,351,486
Other revenue	173,794	-	-	173,794	-
Interest expense, net	(20,756,543)	(30,979,923)	(15,460,280)	10,223,380	(15,519,643)
Lease amortization and interest expense	(1,435,588)	(728,613)	(728,613)	(706,975)	-
Bond issuance costs	-	(2,985,607)	(251,367)	2,985,607	(2,734,240)
Provision for transfer to the City of New York	(89,893,523)	(84,903,975)	(82,776,276)	(4,989,548)	(2,127,699)
Provision for transfer to the City of New York - Settlement Agreement	(26,930,733)	-	-	(26,930,733)	-
Pier A and Pier A Plaza construction pass through NYC	-	(494,172)	-	494,172	(494,172)
Total nonoperating expenses	(122,572,020)	(95,637,706)	(86,113,438)	(26,934,314)	(9,524,268)
Change in net position (deficit)	57,124,435	82,131,251	87,235,092	(25,006,816)	(5,103,841)
Net deficit, beginning of period	(122,924,257)	(95,402,710)	(232,700,871)	(27,521,547)	137,298,161
Net deficit, end of period	\$ (65,799,822)	(13,271,459)	(145,465,779)	(52,528,363)	132,194,320

Operating Revenues

2025 vs. 2024

Overall operating revenues for the six-month period ended April 30, 2025 totaled \$211.5 million, \$3.1 million higher than the six-month period ended April 30, 2024 of \$208.3 million. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent under GASB 87 decreased \$161 thousand to \$23.7 million for the six-month period ended April 30, 2025. PILOT revenue totaling \$149.6 million (71% of the total operating revenues for the six-month period ended April 30, 2025), increased by \$3.7 million over the six-month period ended April 30, 2024.

The change in lease interest and other revenue is a \$385 thousand decrease from \$38.5 million for the six-month period ended April 30, 2024 to \$38.1 million for the six-month period ended April 30, 2025.

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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.

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.

Operating Expenses

2025 vs. 2024

Operating expenses totaled \$31.8 million for the six-month period ended April 30, 2025, representing a \$1.2 million increase compared to the six-month period ended April 30, 2024. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses and depreciation and amortization.

Wages and related benefits totaling \$10.4 million were \$889 thousand higher than the prior six-month period ended April 30, 2024.

OPEB expenses for the Organization increased for the six-month period ended April 30, 2025 by \$924 thousand as compared to the six-month period ended April 30, 2024.

Other operating and administrative expenses of \$12.7 million decreased \$1.4 million for the six-month period ended April 30, 2025.

Depreciation and amortization expenses recorded for the six-month period ended April 30, 2025 of \$6.6 million was \$770 thousand higher than the six-month period ended April 30, 2024.

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.

Nonoperating Revenues (Expenses)

2025 vs. 2024

Total nonoperating expenses, net, were \$26.9 million more for the six-month period ended April 30, 2025 than the six-month period ended April 30, 2024. A provision for a transfer to the City of \$89.9 million in excess revenues was charged to expense for the six-month period ended April 30, 2025, an increase of \$5.0 million from the six-month period ended April 30, 2024. A provision for a transfer to the City per the Settlement Agreement of \$26.9 million in excess revenues was charged to expense for the six-month period ended April 30, 2025. Investment and other income (loss) decreased period over period by \$8.2 million, primarily due to smaller realized and unrealized gains in the portfolio during the period ended April 30, 2025. Net interest expense decreased by \$10.2 million for the six-month period ended April 30, 2025 compared to the six-month period ended April 30, 2024, due primarily to the decrease in outstanding bonds.

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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. 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.

Change in Net Position (Deficit)

The total net deficits at April 30, 2025 and 2024 was \$65.8 million and \$13.3 million, respectively.

The total net deficits at April 30, 2024 and 2023 was \$13.3 million and \$145.5 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 10 and 16). At April 30, 2025, 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 11 and 16).

The 2019 Series D Bonds were partially refunded and the 2019 Series E Bonds were fully refunded on August 3, 2023. At April 30, 2025, outstanding 2019 Series Bonds and ratings were as follows:

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	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 4, 2025, 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 12 and 16). At April 30, 2025, 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	351,840,000	AAA	Aaa
2023 Senior Revenue C Bonds	9,205,000	AAA	Aaa

* Source: Fitch - rating as of June 4, 2025, 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.

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Statements of Net Position (Deficit)

April 30, 2025 and 2024 (Unaudited)

Assets	2025	2024
Current assets:		
Bank deposits	\$ 5,985	51,174
Investments (notes 3(e) and 3(j))	8,718,519	8,409,442
Restricted assets:		
Lease receivable (notes 7 and 14(b))	5,199,305	5,138,829
Accrued interest receivable	42,272,491	34,237,026
Rents and other receivables (net of allowance for doubtful accounts of \$26,466,698 in 2025 and \$22,321,306 in 2024 (note 14a))	10,960,467	10,390,391
2003 General Bond Resolution Funds (notes 3(e), 3(j), 8, and 9)	419,227,108	401,097,570
2013 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 10)	3,479,316	5,056,242
2019 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 11)	13,041,852	13,091,667
2023 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 12)	159,670,573	183,542,895
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(j) and 18)	6,532,730	95,110,993
Total current assets	<u>669,108,346</u>	<u>756,126,229</u>
Noncurrent assets:		
Restricted assets:		
Lease receivable (notes 7 and 14(b))	1,707,195,742	1,713,230,408
2013 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 10)	2,394,031	2,802,725
2019 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 11)	8,519,954	11,278,402
2023 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 12)	17,182,517	121,740,209
Residential lease required funds (notes 3(e) and 3(j))	32,967,850	31,405,312
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(j) and 18)	103,385,578	140,346,259
Battery Park City project assets – at cost, less accumulated depreciation (notes 2, 3(c), and 4)	815,433,060	669,844,773
Other assets	12,047,718	13,172,071
Total noncurrent assets	<u>2,699,126,450</u>	<u>2,703,820,159</u>
Total assets	<u>3,368,234,796</u>	<u>3,459,946,388</u>
Deferred Outflows of Resources		
Deferred pension outflows (note 17)	4,888,083	5,395,721
Deferred OPEB outflows (note 18)	9,886,910	4,138,488
Total deferred outflows of resources	<u>14,774,993</u>	<u>9,534,209</u>
Total assets and deferred outflows of resources	<u>\$ 3,383,009,789</u>	<u>3,469,480,597</u>

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Statements of Net Position (Deficit)

April 30, 2025 and 2024 (Unaudited)

Liabilities	2025	2024
Current liabilities:		
Accrued interest on bonds	\$ 23,235,504	32,898,301
Accounts payable and other liabilities (note 15)	45,392,464	28,132,152
Accrued pension payable (note 17)	4,739,793	6,865,272
Lease liability (note 7)	1,401,702	1,416,103
Accrued interest payable	22,368	27,355
Due to the City of New York (note 13)	272,416,673	259,269,385
Due to the State of New York (note 13)	5,000,000	5,000,000
Due to the City of New York - 2024 Agreement (note 13)	23,650,119	—
Due to the Port Authority of New York & New Jersey (note 20(b))	—	869,381
Unearned revenue (note 3(d)):		
PILOT revenue	48,290,154	46,869,277
Base rent and other revenue	5,152,151	6,528,255
Security and other deposits	4,738	4,738
2023 Revenue Bonds (notes 8, 9 and 12)	34,515,000	28,880,000
Total current liabilities	463,820,666	416,760,219
Noncurrent liabilities:		
Unearned revenue (note 3(d)):		
Base rent and other revenue	16,632,186	19,464,273
Security and other deposits	33,188,724	31,627,624
Lease liability (note 7)	7,207,610	8,611,461
OPEB (note 18)	45,031,506	36,496,279
Bonds outstanding, net (notes 8, 9, 10, 11, 12 and 16):		
2019 Revenue Bonds, less accumulated amortization of \$14,203,841 in 2025 and \$11,930,314 in 2024	381,681,593	384,198,866
2023 Revenue Bonds, less accumulated amortization of \$4,925,139 in 2025 and \$2,107,192 in 2024	746,661,495	783,994,442
Total noncurrent liabilities	1,230,403,114	1,264,392,945
Total liabilities	1,694,223,780	1,681,153,164
Deferred Inflows of Resources		
Deferred lease inflows (note 7)	1,727,820,064	1,772,511,030
Deferred pension inflows (note 17)	2,821,569	704,638
Deferred OPEB inflows (note 18)	15,449,237	17,440,491
Unamortized gain on extinguishment of bonds	8,494,961	10,942,733
Total deferred inflows of resources	1,754,585,831	1,801,598,892
Total liabilities and deferred inflows of resources	3,448,809,611	3,482,752,056
Net Position (Deficit):		
Net investment in capital assets	314,100,390	265,863,903
Restricted:		
Debt service	88,805,027	101,905,105
Under bond resolutions and other agreements	5,269,799	127,683,684
Unrestricted (deficit)	(473,975,038)	(508,724,151)
Total net position (deficit)	(65,799,822)	(13,271,459)
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 3,383,009,789	3,469,480,597

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

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(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, 2025 and 2024 (Unaudited)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Revenues from ground leases (notes 5, 6, and 7):		
Base rent	\$ 23,736,282	23,897,414
Payments in lieu of real estate taxes (note 13)	149,608,907	145,926,405
Lease interest and other revenue (note 14(b))	38,109,867	38,495,361
Total operating revenues	<u>211,455,056</u>	<u>208,319,180</u>
Operating expenses:		
Wages and related benefits	10,397,327	9,508,663
OPEB (note 18)	2,064,546	1,140,138
Other operating and administrative expenses	12,740,879	14,115,540
Depreciation of project assets	6,182,224	5,457,804
Other depreciation and amortization	373,625	328,078
Total operating expenses	<u>31,758,601</u>	<u>30,550,223</u>
Operating income	<u>179,696,455</u>	<u>177,768,957</u>
Nonoperating revenues (expenses):		
Investment income on funds relating to:		
2003 Revenue Bonds (note 8)	724,785	364,623
Corporate-designated, escrowed, and OPEB funds	742,278	652,683
Realized and unrealized gains	14,803,510	23,437,278
Other revenue	173,794	—
Interest expense relating to:		
2019 Revenue Bonds (note 11)	(5,801,367)	(6,426,321)
2023 Revenue Bonds (note 12)	(16,103,446)	(25,740,052)
2023 Revolver	(75,616)	(37,436)
Gain (Loss) on extinguishment of debt	1,223,886	1,223,886
Lease amortization and interest expense	(1,435,588)	(728,613)
Bond issuance costs	—	(2,985,607)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts (note 13)	(89,893,523)	(84,903,975)
Provision for transfer to the City of New York per Settlement Agreement (note 13)	(26,930,733)	—
Provision for transfer to the City of New York Pier A and Pier A Plaza construction pass-thru	—	(494,172)
Total nonoperating expenses	<u>(122,572,020)</u>	<u>(95,637,706)</u>
Change in net position (deficit)	57,124,435	82,131,251
Net position (deficit), beginning of period	<u>(122,924,257)</u>	<u>(95,402,710)</u>
Net position (deficit), end of period	<u>\$ (65,799,822)</u>	<u>(13,271,459)</u>

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, 2025 and 2024 (Unaudited)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from:		
Tenant payments	\$ 182,547,970	180,060,333
Miscellaneous receipts	849,196	151,139
Total cash receipts from operating activities	<u>183,397,166</u>	<u>180,211,472</u>
Cash payments for:		
Salaries and benefits	(10,953,325)	(9,919,670)
Services and supplies	(6,120,287)	(7,232,618)
Total cash payments for operating activities	<u>(17,073,612)</u>	<u>(17,152,288)</u>
Net cash provided by operating activities	<u>166,323,554</u>	<u>163,059,184</u>
Cash flows from noncapital financing activities:		
Payments to Pier A Contractors on behalf of the City of New York	(4,219,656)	(304,227)
Payments to The Port Authority New York & New Jersey	(869,381)	—
Payments to the City of New York	(46,021,567)	—
Net cash used in noncapital financing activities	<u>(51,110,604)</u>	<u>(304,227)</u>
Cash flows from capital and related financing activities:		
Development costs – site improvements and construction	(4,422,189)	(934,493)
Capital asset expenditures	(64,204,989)	(57,894,874)
Payments for bond issuance costs	—	(2,985,607)
Swap interest payments received on the 2003 Swap agreement	—	6,544
Principal paydown on 2023 Senior Revenue Bonds	(28,880,000)	(2,780,000)
Interest paid on 2023 Senior Revenue Bonds	(18,234,420)	(33,978)
Interest paid on 2019 Senior Revenue Bonds	(5,377,686)	(5,377,686)
Interest paydown on 2019 Junior Revenue Bonds	(1,529,473)	(2,041,026)
Principal paid on 2019 Junior Revenue Bonds	—	—
Remarketing fees for 2019 Junior Revenue Bonds	(38,359)	(29,670)
Bond purchase agreement fee for 2019 Junior Revenue Bonds	(195,511)	(362,517)
Revolver commitment fee	(75,616)	(113,088)
Interest paid on lease liability	(144,454)	(168,507)
Principal paid on lease liability	(761,723)	(762,297)
Net cash used in capital and related financing activities	<u>(123,864,420)</u>	<u>(73,477,199)</u>
Cash flows from investing activities:		
Interest and realized gains/losses on sales of investment securities	15,625,249	27,471,538
Maturities and redemptions of investment securities	382,709,943	416,691,809
Purchases of investment securities	(369,388,064)	(313,251,012)
Net cash provided by investing activities	<u>28,947,128</u>	<u>130,912,335</u>
Increase in cash and cash equivalents	<u>20,295,658</u>	<u>220,190,093</u>
Cash and cash equivalents, beginning of period	<u>383,653,409</u>	<u>433,584,404</u>
Cash and cash equivalents, end of period	<u>\$ 403,949,067</u>	<u>653,774,497</u>

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, 2025 and 2024 (Unaudited)

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 179,696,455	177,768,957
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision (recovery) of bad debts	469,861	(548,720)
Depreciation and amortization	5,845,319	5,785,882
Other	(421,602)	(27,280)
Changes in operating assets and liabilities:		
Decrease in lease receivables	3,445,850	2,471,004
(Increase) in accrued interest receivables	(3,825,570)	(4,283,732)
(Increase) in rents and other receivables	(2,394,443)	(75,433)
Decrease in other assets	2,952,071	1,770,480
Increase in accounts payable and other liabilities	4,817,765	4,388,891
(Decrease) in unearned revenue	(2,197,988)	(1,942,957)
Increase (decrease) increase in OPEB liability	7,340,507	(882,721)
(Decrease) in lease liability	(702,915)	(703,767)
Changes in deferred resources:		
Deferred lease resources	(22,698,249)	(21,992,712)
Deferred OPEB resources	(6,003,507)	1,331,292
Net cash provided by operating activities	\$ <u>166,323,554</u>	<u>163,059,184</u>
Reconciliation of cash and cash equivalents, end of period:		
Bank deposits	\$ 5,985	51,174
Cash and cash equivalents (note 3(e))	45,101,199	33,715,070
Investments with less than 91-day maturities (note 3(e))	358,841,883	620,008,253
Cash and cash equivalents, end of period	\$ <u>403,949,067</u>	<u>653,774,497</u>

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)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

(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 20). The Authority and its blended component unit, the Conservancy, are referred to collectively as “the Organization” in the financial statements.

(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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

(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, 2025 and 2024 were capitalized as Project assets and were classified as follows:

	Balance at October 31, 2024	Additions	Deletions	Balance at April 30, 2025
Land	\$ 83,015,653	—	—	83,015,653
Site improvements	506,175,375	10,933,050	—	517,108,425
Residential building and condominiums	147,236,833	16,130	—	147,252,963
Construction in progress	216,761,117	73,686,554	—	290,447,671
Total Project assets	953,188,978	84,635,734	—	1,037,824,712
Less accumulated depreciation:				
Site improvements	165,232,651	546,117	—	165,778,768
Residential building and condominiums	51,687,308	4,925,576	—	56,612,884
Total accumulated depreciation	216,919,959	5,471,693	—	222,391,652
Net Project assets	\$ 736,269,019	79,164,041	—	815,433,060

As of April 30, 2025 and 2024, construction in progress (CIP) amounts of \$290,447,671 and \$144,815,016, respectively, consists of the South resiliency project which is estimated to be completed in 2026 and the North resiliency project that is estimated to be completed in 2030.

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

Notes to Financial Statements
April 30, 2025 and 2024 (Unaudited)

	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	<u>819,138,315</u>	<u>62,149,261</u>	<u>—</u>	<u>881,287,576</u>
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	<u>205,984,999</u>	<u>5,457,804</u>	<u>—</u>	<u>211,442,803</u>
Net Project assets	<u>\$ 613,153,316</u>	<u>56,691,457</u>	<u>—</u>	<u>669,844,773</u>

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 through 2069, the original termination date of the master lease. 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 2025 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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

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, 2025 and 2024 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, 2025			April 30, 2024		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	\$ 507,314,321	510,243,426	0.06	\$ 908,145,494	910,604,386	0.10
Treasury Bonds	215,696,393	215,809,589	1.00	62,625,625	57,847,040	3.08
Total U.S. Treasury securities	723,010,714	726,053,015		970,771,119	968,451,426	
Federal agency mortgage backed securities	444,526	422,868	2.99	728,652	681,070	2.81
Municipal bonds	1,075,000	1,065,922	1.78	3,046,871	2,959,485	1.33
Supra National Agency	2,578,221	2,477,024	1.40	8,458,559	8,074,665	1.15
Total investments	727,108,461	730,018,829	0.29	983,005,201	980,166,646	0.29
Cash and cash equivalents	45,101,199	45,101,199		33,715,070	33,715,070	
Total investments and deposits	\$ 772,209,660	775,120,028		\$ 1,016,720,271	1,013,881,716	

(a) Portfolio weighted average effective duration

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

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Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

As of April 30, 2025 and 2024, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to \$358,816,663 and \$620,008,253, 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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

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) *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, 2025 and 2024 were as follows:

April 30, 2025			
	Level 1	Level 2	Total
Assets at fair value:			
U.S. Treasury Securities:			
Treasury Bills	\$ 510,243,426	-	510,243,426
Treasury Bonds	215,809,589	-	215,809,589
Federal Agency Mortgage Backed Securities	-	422,868	422,868
Municipal Bonds	-	1,065,922	1,065,922
Supra National Bonds	-	2,477,024	2,477,024
Total assets at fair value	\$ 726,053,015	3,965,814	730,018,829

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(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

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 Securities	-	-	-
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

k) Tax Abatements

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

The 421a tax abatements for the six-month periods ended April 30, 2025 and 2024 were \$1.5 million, and \$2.7 million, respectively.

The 467a tax abatements for the six-month periods ended April 30, 2025 and 2024 were \$7.3 million, and \$7.1 million, respectively.

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

All of the Authority's bonds outstanding as of April 30, 2025 (see notes 10, 11 and 12) 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.

m) 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.

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Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

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.

n) New Accounting Pronouncements

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 completed the process of evaluating GASB 102 and determined no risk disclosures are necessary; therefore, there is no impact on the Authority's financial statements.

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 completed the process of evaluating GASB 103 and determined there is no material impact on the Authority's financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* ("GASB 104"), is effective for fiscal years beginning after June 15, 2025. GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosure. The Statement also required additional disclosures for capital assets held for sale and for such assets to be evaluated each reporting period. The Authority has not completed their evaluation of GASB 104 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, 2025, 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.

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Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

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, 2025, all commercial development leases expire in 2069 and provide for future base rent payments aggregating based upon GASB 87, \$937.0 million over the lease terms (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 six-month periods ended April 30, 2025 and 2024, the Authority recognized \$23,736,282 and \$23,897,414, respectively, in lease revenue and \$28,384,971 and \$28,575,504, 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:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
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Notes to Financial Statements
April 30, 2025 and 2024 (Unaudited)

Year Ended	Principal				Interest			
	Commercial	Residential	Hotel & Other	Total	Commercial	Residential	Hotel & Other	Total
2026	\$ 4,599,298	323,220	276,788	5,199,306	8,148,093	20,434,993	294,253	28,877,339
2027	4,805,090	695,477	39,129	5,539,696	16,054,804	40,709,336	579,196	57,343,336
2028	5,391,331	746,513	40,426	6,178,270	15,883,657	40,888,147	577,895	57,349,699
2029	5,526,064	787,041	40,155	6,353,260	15,748,562	41,104,031	578,167	57,430,760
2030	5,753,199	854,735	43,097	6,651,031	15,520,818	41,038,578	575,217	57,134,613
2031-2035	31,711,388	4,398,363	236,182	36,345,933	74,650,793	204,807,530	2,855,334	282,313,657
2036-2040	37,328,270	16,878,842	736,278	54,943,390	69,018,837	200,938,701	2,791,951	272,749,489
2041-2045	43,906,969	70,576,583	1,245,444	115,728,996	62,422,483	190,779,499	2,616,401	255,818,383
2046-2050	51,726,598	115,054,149	1,467,774	168,248,521	54,581,871	173,231,923	2,393,475	230,207,269
2051-2055	60,890,071	151,664,372	2,300,665	214,855,108	45,393,806	150,772,645	2,105,917	198,272,368
2056-2060	71,677,166	222,509,690	3,183,495	297,370,351	34,577,764	119,664,520	1,639,446	155,881,730
2061-2065	84,366,167	284,981,329	3,747,009	373,094,505	21,854,711	77,661,030	1,074,420	100,590,161
2066-2069	88,501,952	328,705,273	4,679,455	421,886,680	6,914,495	25,469,973	377,673	32,762,141
Total	\$ 496,183,563	1,198,175,587	18,035,897	1,712,395,047	440,770,694	1,327,500,906	18,459,345	1,786,730,945

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 \$36.5 million through the remaining years of the lease terminating in 2069. U.S Bankruptcy Court approved a plan of liquidation and a conditional sale of the debtor's interest in a condominium property. Following completion of all remaining conditions related to the sale, the purchase of the property may proceed.

Lessee lease agreements are summarized as follows:

Start Dates	Terms	Interest Rate	Balance 4/30/2025	Balance 4/30/2024
11/1/2020 to 1/1/2022	13 - 120 months	3.265%	\$ 8,609,312	\$ 10,027,564

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.

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

Period Ending		Principal	Interest
2026	\$	1,401,702	136,307
2027		1,251,695	219,771
2028		1,001,257	225,599
2029		1,472,698	163,110
2030		1,522,059	113,749
2031-2032		1,959,901	76,474
Total	\$	<u>8,609,312</u>	<u>935,010</u>

(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, 2025 and 2024 were as follows:

2003 General Bond Resolution Funds				
	General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
April 30, 2025				
Project Operating Fund	\$ 22,422,788	—	—	22,422,788
Debt Service Funds	—	129,627,530	11,292,958	140,920,488
Residual Fund	184,215,768	—	—	184,215,768
Pledged Revenue Fund	71,668,064	—	—	71,668,064
Totals	\$ <u>278,306,620</u>	<u>129,627,530</u>	<u>11,292,958</u>	<u>419,227,108</u>

2003 General Bond Resolution Funds				
	General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
April 30, 2024				
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	\$ <u>263,532,094</u>	<u>121,903,457</u>	<u>15,662,019</u>	<u>401,097,570</u>

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, 2025, there are no more outstanding 2013 Senior Revenue Bonds. The remaining proceeds were held by trustees as follows at April 30, 2025 and 2024:

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<u>April 30, 2025</u>	<u>2013A Senior Revenue Bonds</u>
Project Costs Fund	\$ <u>5,873,347</u>

<u>April 30, 2024</u>	<u>2013A Senior Revenue Bonds</u>
Project Costs Fund	\$ <u>7,858,967</u>

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, 2025 and 2024:

<u>2019 Revenue Bonds</u>				
<u>April 30, 2025</u>	<u>2019A Senior Revenue Bonds</u>	<u>2019B Senior Revenue Bonds</u>	<u>Total 2019 Bonds</u>	
Project Cost Funds	15,250,569	6,311,237	21,561,806	
Totals	\$ <u>15,250,569</u>	<u>6,311,237</u>	<u>21,561,806</u>	

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

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, 2025 and 2024:

<u>2023 Revenue Bonds</u>				
<u>April 30, 2025</u>	<u>2023A Senior Revenue Bonds</u>	<u>2023B Senior Revenue Bonds</u>	<u>2023C Senior Revenue Bonds</u>	<u>Total 2023 Bonds</u>
Project Cost Funds	\$ <u>158,892,100</u>	<u>11,107,076</u>	<u>6,853,914</u>	<u>176,853,090</u>

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	2023 Revenue Bonds			Total 2023 Bonds
	2023A	2023B	2023C	
	Senior Revenue	Senior Revenue	Senior Revenue	
	Bonds	Bonds	Bonds	
April 30, 2024				
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 a termination date of March 27, 2026. The Authority agrees to pay interest at a rate per annum which shall be the secured overnight financing rate in effect from time to time, plus the applicable margin.

As of April 30, 2025 and 2024, the revolving line of credit had no outstanding balance, respectively.

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;

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(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.

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) 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").

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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, 2025, there are no more outstanding 2013 Series Revenue Bonds.

The cumulative unamortized gain on redemption or maturity of bonds, including the unamortized bond insurance costs, collectively totaling \$8.5 million at April 30, 2025 and \$10.9 million at April 30, 2024, is classified in the statements of net position (deficit) as a deferred inflow of resources.

(11) 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, 2025, 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:

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2019 Series A Senior Revenue Bonds:

	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
Fiscal Year Ending:			
2025 (1/2 year)	—	\$ —	1,673,450
2026	—	—	3,346,900
2027	—	—	3,346,900
2028	—	—	3,346,900
2029	—	—	3,346,900
2030 – 2034	—	—	16,734,500
2035 – 2039	—	—	16,734,500
2040 – 2044	4.00%	21,540,000	15,397,100
2045 – 2049	4.00% - 5.00%	41,625,000	7,760,150
2050	5.00%	9,600,000	240,000
Totals		\$ <u>72,765,000</u>	<u>71,927,300</u>

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:

	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
Fiscal Year Ending:			
2025 (1/2 year)	—	\$ —	3,659,075
2026	—	—	7,318,150
2027	—	—	7,318,150
2028	—	—	7,318,150
2029	5.00%	395,000	7,703,275
2030 – 2034	5.00%	18,195,000	35,428,125
2035 – 2039	5.00%	57,955,000	26,391,875
2040 – 2042	4.00% - 5.00%	69,965,000	3,089,500
Totals		\$ <u>146,510,000</u>	<u>98,226,300</u>

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.

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2019 Series C Senior Revenue Bonds:

Fiscal Year Ending:	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
2025 (1/2 year)	—	\$ —	45,161
2026	—	—	90,321
2027	—	—	90,321
2028	2.53%	3,570,000	45,161
Totals		<u>\$ 3,570,000</u>	<u>270,964</u>

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 Securities Industry and Financial Markets Association (“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, 2025, following the partial redemption, the principal and interest payments due on the 2019 Series D variable-rate bonds were as follows:

Fiscal Year Ending:	<u>Junior D</u>	
	<u>Principal</u>	<u>Interest</u>
2025 (1/2 year)	\$ —	1,768,597
2026	—	3,251,866
2027	—	3,194,577
2028	—	3,204,503
2029	—	3,236,633
2030 – 2034	—	16,850,854
2035 – 2039	118,515,000	6,521,431
Total	<u>\$ 118,515,000</u>	<u>38,028,461</u>

The above schedule reflects interest on one-week SIFMA on April 30, 2025 plus applicable fees.

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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.

(12) 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, 2025, 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:

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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:	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
2025 (1/2 year)	—	\$ —	21,144,356
2026	—	—	16,991,000
2027	—	—	16,991,000
2028	—	—	16,991,000
2029	—	—	16,991,000
2030 – 2034	—	—	84,955,000
2035 – 2039	—	—	84,955,000
2040 – 2044	5.00%	52,815,000	82,400,000
2045 – 2049	5.00%	114,390,000	61,037,500
2050 – 2053	5.00%	172,615,000	27,698,750
Total		\$ <u>339,820,000</u>	<u>430,154,606</u>

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:	<u>Coupon Rate</u>	<u>Principal</u>	<u>Interest</u>
2025 (1/2 year)	5.00%	\$ —	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	5.00%	29,270,000	12,598,250
2030 – 2034	5.00%	158,495,000	39,757,000
2035 – 2039	5.00%	64,200,000	9,921,000
Total		\$ <u>351,840,000</u>	<u>133,486,494</u>

2023 Series C Senior Revenue Bonds:

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

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Fiscal Year Ending:		<u>Coupon Rate</u>	<u>Principal</u>	<u>Interest</u>
2025 (1/2 year)		\$	—	549,845
2026			—	441,840
2027			—	441,840
2028			—	441,840
2029	4.80%		9,205,000	396,840
Total		\$	<u>9,205,000</u>	<u>2,272,205</u>

(13) 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 \$182.5 million of PILOT-related receipts provisioned for the transfer to the City during the year ended October 31, 2024, was paid in June 2025. A provision in the amount of \$89.9 million reflecting PILOT-related receipts has been charged as a nonoperating expense for the six-month period ended April 30, 2025.

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.

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 7a ii funds held in the Authority's Joint Purpose Fund. Subject to this amendment, total accumulated earnings of \$140.4 million of 7a ii funds were transferred to the NYC Housing Development Fund ("HDF") for affordable housing in August 2024. The Authority recorded an estimated additional provision of \$26.9 million of 7a ii funds for the period ended April 30, 2025.

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(14) (A) Rents and Other Receivables

Rents and other receivables consisted of the following at April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Rents receivable	\$ 36,907,830	32,239,659
Interest receivable	419,356	385,126
Miscellaneous receivables	99,979	86,912
	<u>37,427,165</u>	<u>32,711,697</u>
Total receivables	37,427,165	32,711,697
Less allowance for doubtful accounts	<u>(26,466,698)</u>	<u>(22,321,306)</u>
Net receivables	<u>\$ 10,960,467</u>	<u>10,390,391</u>

As of April 30, 2025, the Authority has increased the allowance for doubtful accounts by approximately \$4.1 million. The increase in the allowance is associated with the uncertainty of collections, primarily related to a sub-lessee that has declared bankruptcy.

(B) Lease Receivables

The Authority is reporting Lease Receivables of \$1,712,395,047 and \$1,718,369,237 at April 30, 2025 and 2024, respectively. For the six-month periods ending April 30, 2025 and 2024, the Authority reported lease revenues of \$23,736,282 and \$23,897,414 and interest revenue of \$28,384,971 and \$28,575,504, respectively, related to lease payments received.

These leases are summarized as follows:

4/30/2025			
<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Commercial	\$ 496,183,548	5,026,766	8,048,745
Residential	1,198,175,586	18,522,842	20,042,288
Hotel & Other	18,035,913	186,674	293,938
Total	<u>\$ 1,712,395,047</u>	<u>23,736,282</u>	<u>28,384,971</u>

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<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
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	<u>\$ 1,718,369,237</u>	<u>23,897,414</u>	<u>28,575,504</u>

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 \$36.5 million through the remaining years of the lease terminating in 2069. U.S Bankruptcy Court approved a plan of liquidation and a conditional sale of the debtor's interest in a condominium property. Following completion of all remaining conditions related to the sale, the purchase of the property may proceed.

(15) Accounts Payable and Other Liabilities

Accounts payable and other liabilities consisted of the following at April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Amounts due to vendors	\$ 26,135,840	16,887,433
Contract retention costs	13,484,376	5,396,975
State recovery costs	4,446,500	4,446,500
Accrued payroll and benefits	1,319,416	1,396,333
Accrued bond fees	6,332	4,911
Total	<u>\$ 45,392,464</u>	<u>28,132,152</u>

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(16) Long-Term Liabilities

The Organization's bonds and other long-term liabilities as of April 30, 2025 were comprised of the following obligations:

	October 31, 2024	Additions	Deletions	April 30, 2025	Due within one year
<u>Authority bonds outstanding:</u>					
<u>2019 Revenue Bonds:</u>					
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	41,580,230	—	1,258,637	40,321,593	—
Subtotal 2019 Bonds	382,940,230	—	1,258,637	381,681,593	—
<u>2023 Revenue Bonds:</u>					
Series 2023A	339,820,000	—	—	339,820,000	—
Series 2023B	380,720,000	—	28,880,000	351,840,000	34,515,000
Series 2023C	9,205,000	—	—	9,205,000	—
Subtotal	729,745,000	—	28,880,000	700,865,000	34,515,000
Unamortized net premiums	81,720,468	—	1,408,973	80,311,495	—
Subtotal 2023 Bonds	811,465,468	—	30,288,973	781,176,495	34,515,000
Total bonds outstanding	1,194,405,698	—	31,547,610	1,162,858,088	34,515,000
<u>Other long-term liabilities:</u>					
OPEB	37,690,999	9,143,791	1,803,284	45,031,506	—
Lease liability	9,312,227	—	702,915	8,609,312	1,401,702
Unearned revenue	72,272,479	—	2,197,988	70,074,491	53,442,305
Security and other deposits	32,486,800	706,662	—	33,193,462	4,738
Total other long-term liabilities	151,762,505	9,850,453	4,704,187	156,908,771	54,848,745
Total long-term liabilities	\$ 1,346,168,203	9,850,453	36,251,797	1,319,766,859	89,363,745

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, 2025 column less the due within one year equals the non-current liabilities total.

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The Authority'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
<u>Authority bonds outstanding:</u>					
<u>2019 Revenue Bonds:</u>					
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	—
<u>2023 Revenue Bonds:</u>					
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
<u>Other long-term liabilities:</u>					
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.

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(17) 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

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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
2024	\$ 1,122,750
2023	918,577
2022	1,181,874
	<u>\$ 3,223,201</u>

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

At April 30, 2025 and 2024, the Authority reported a liability of \$4,739,793, and \$6,865,272, respectively, for its proportionate share of the net pension liability. The net pension liability/asset was measured as of the Systems' fiscal year end at March 31, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Authority's proportion of the net pension liability 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, 2025 and 2024, the Authority's proportion was 0.0321908% and 0.0320148%, respectively.

At April 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

April 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,526,684	129,242
Changes of assumptions	1,792,009	-
Net difference between projected and actual earnings on pension plan investments	-	2,315,364
Changes in proportion and differences between LG contributions and proportionate share of contributions	123,030	376,963
Contributions made subsequent to measurement date	1,446,360	-
Total	<u>\$ 4,888,083</u>	<u>2,821,569</u>

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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	<u>\$ 5,395,721</u>	<u>704,638</u>

As of April 30, 2025 and 2024, \$4,888,083 and \$5,395,721, respectively was reported as a deferred outflow of resources, respectively, and \$2,821,569 and \$704,638 was reported as a deferred inflow of resources, respectively, including a deferred outflow of resources amounting to \$1,446,360 and \$1,122,750 as of April 30, 2025 and 2024, 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:	
2025	\$ 472,910
2026	822,338
2027	1,306,338
2028	(535,072)
2029	-
Thereafter	-
	<u>\$ 2,066,514</u>

Actuarial Assumptions

The total pension liability at the System's year end of March 31, 2024 and 2023 was determined by using an actuarial valuation as of April 1, 2023 and 2022, with updated procedures used to roll forward the total pension liability to the System's year end of March 31, 2024 and 2023.

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Significant actuarial assumptions used in the April 1, 2023 and 2022 valuations were as follows:

2023

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

2022

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

The actuarial assumptions used in the 2023 and 2022 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-2021. The previous actuarial valuation as of April 1, 2022 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, 2024 and 2023 are summarized below.

March 31, 2024

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	32.00%	4.00%
International Equity	15.00%	6.65%
Private Equity	10.00%	7.25%
Real Estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real Assets	3.00%	5.79%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.25%

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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%

Discount Rate

The discount rates used to calculate the total pension liability as of March 31, 2024 and 2023 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 liability.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability 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, 2025:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's share of the Net Pension Liability (Asset)	\$ 14,902,393	4,739,793	(3,748,087)

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)

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Pension plan fiduciary net position

The components of the current-year net pension liability of the System's plan year-end of March 31, 2024 and 2023 were as follows:

		(Dollars in Thousands)	
		2024	2023
		Employees'	Employees'
		Retirement System	Retirement System
Employers' total pension liability	\$	240,696,851	232,627,259
Plan net position		(225,972,801)	(211,183,223)
Employers' net pension liability	\$	14,724,050	21,444,036
Ratio of plan net position to the employers' total pension liability		93.88%	90.78%

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.

(18) 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.

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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, 2025, 207 participants, including 145 employees and 62 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, 2025 and 2024 and in accordance with GASB Statement 75, updated actuarial valuations were completed for the valuation date of November 1, 2024 and November 1, 2022, respectively. This is the date as of which the actuarial valuations were performed. The measurement dates are October 31, 2024 and 2023 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, 2025 and 2024, \$45,031,506 and \$36,496,279, respectively, has been reported for the Authority's total OPEB liabilities. For the six-month periods ending April 30, 2025 and 2024, the Authority has recognized OPEB expenses of \$2,064,546 and \$1,140,138, 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, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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April 30, 2025

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 2,867,545	1,250,272
Changes of assumptions	12,581,692	7,909,092
Contributions made subsequent to measurement date	-	727,546
Total	<u>\$ 15,449,237</u>	<u>9,886,910</u>

April 30, 2024

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

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of April 30, 2025 will be recognized in OPEB expense as follows:

Period ended April 30:	
2026	\$ (2,179,864)
2027	(1,364,150)
2028	(763,558)
2029	(899,792)
2030	(1,320,506)
Thereafter	965,543
	<u>\$ (5,562,327)</u>

d) Actuarial Methods and Assumptions

The Authority's total OPEB liabilities were determined by an actuarial valuation as of November 1, 2024, using the following actuarial assumptions:

2024

Inflation rate 2.3%

Salary scale 3.3%

Health cost Getzen Model Version 2020

Mortality MP-2020 Mortality Tables

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The annual healthcare cost trend rates vary based on type of health coverage valued; initial trends start at 6.3% to 11.0%, declining approximately each year to an ultimate trend rate of 4.1%. The trend rates reflect a general inflation level of 2.3%.

2022

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, 2025 and 2024 were 4.32% and 5.12%, 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, 2025, calculated using the discount rate of 4.32%, 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 (3.32 percent) or 1-percentage-point higher (5.32 percent) than the current rate:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

April 30, 2025

		1% Decrease 3.32%	Current Discount 4.32%	1% Increase 5.32%
Total OPEB Liability	\$	52,243,450	45,031,506	39,189,413

The following represents the Authority's total OPEB liability estimated as of April 30, 2025, 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	\$	38,494,250	45,031,506	53,390,030

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	36,496,280	43,054,591

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

g) OPEB Status and Funding Progress

The Authority's OPEB obligation and the funded status of the plan as of April 30, 2025 was as follows:

OPEB Balance at November 1, 2024	\$ 37,690,999
Changes for the period:	
Service cost	860,626
Interest	991,346
Benefit payments	(696,479)
Changes in assumptions	6,185,014
Net changes	7,340,507
OPEB Balance at April 30, 2025	\$ 45,031,506

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

The discount rate decreased from 5.12% to 4.32%.

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

Corporate assets held at April 30, 2025 and 2024 in separate corporate OPEB accounts for the exclusive purpose of paying OPEB obligations were approximately \$43.6 million and \$40.7 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.

(19) Commitments and Other Matters

- (a) The Authority has entered into construction and other related contracts, having unexpended balances aggregating approximately \$200.3 million as of April 30, 2025.
- (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, 2025, the Authority has disbursed the \$40 million to the PANYNJ. Such obligation has been fully repaid.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

April 30, 2025 and 2024 (Unaudited)

- (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 to \$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.

(20) 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.

(21) 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 largely be covered by the Authority’s various insurance policies.

(22) Subsequent Event

On July 17, 2025, the Authority entered into a revolving line of credit agreement with TD Bank, which provides up to \$225 million. The revolving credit facility is a Junior Revenue Note under the 2003 General Bond Resolution and terminates on March 27, 2026 and will be used on an interim basis to fund the ongoing design and construction of the Authority’s North/West Resiliency Project.

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Authority's proportion of the net pension liability (asset)	3.21908000%	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)	\$ 4,740	\$ 6,865	\$ (2,672)	\$ 30	\$ 7,796	\$ 1,898	\$ 830	\$ 2,457	\$ 2,357	\$ 519
The Authority's covered payroll	\$ 6,289	\$ 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	75.37%	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	93.88	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:

<u>Measurement Date - March 31:</u>	<u>Percentage</u>
2024	5.90%
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)

		2024		2023		2022		2021		2020		2019		2018		2017		2016		2015
Actuarially determined contribution	\$	1,122	\$	919	\$	1,182	\$	1,036	\$	965	\$	1,165	\$	930	\$	713	\$	518	\$	709
Contribution in relation to the actuarially determined contribution	\$	1,122	\$	919	\$	1,182	\$	1,036	\$	965	\$	1,165	\$	930	\$	713	\$	518	\$	709
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
The Authority's covered payroll	\$	6,289	\$	5,516	\$	5,025	\$	4,632	\$	4,673	\$	4,076	\$	4,154	\$	3,893	\$	3,983	\$	3,843
Contribution as a percentage of covered payroll		17.84%		16.66%		23.52%		22.37%		20.65%		28.58%		22.39%		18.31%		13.01%		18.45%

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)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 861	854	1,352	1,307	1,149	974	1,052	1,069
Interest cost	991	943	602	512	737	700	701	644
Effect of assumption changes or inputs	7,383	(1,970)	(2,217)	(30)	2,480	(13)	212	(1)
Effect of economic/demographic gains or (losses)	(1,198)	(108)	(10,959)	(1,218)	1,921	1,091	(8,139)	(1,260)
Benefit Payments	(696)	(602)	(567)	(510)	(521)	(453)	(463)	(448)
Net Change in Total OPEB Liability	7,341	(883)	(11,789)	61	5,766	2,299	(6,637)	4
Total OPEB Liability - Beginning	\$ 37,691	37,379	47,782	45,493	38,363	34,845	40,192	38,923
Total OPEB Liability - Ending	\$ 45,032	36,496	35,993	45,554	44,129	37,144	33,555	38,927
Covered payroll	\$ 5,888	5,800	5,730	5,288	4,577	4,402	4,354	4,471
Total OPEB Liability as a Percentage of Covered Payroll	765%	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, eight periods of data are available with the adoption of GASB Statement 75 for the periods ended April 30, 2018 through April 30, 2025.

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
2025	4.32%
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

Audit Planning Meeting for the Year Ending October 31, 2025

This information is proprietary and confidential and is solely for the use of the above-named organization, including management and those charged with governance, unless permission for use is otherwise granted.

October 1, 2025

Your Engagement Leadership Team



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Shareholder

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Engagement Quality Reviewer

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Other Audit & Tax Team Members:

James Feijoo, Supervisor

Heather Bassler-Turk, LIFMS

Erika Herrera, Staff – Wei Wei & Co., Inc.

Agenda

- Executive Summary - Planning Meeting
 - Service Delivery Timeline
 - Engagement Objectives
 - Responsibilities: Ours, Management, & Audit & Risk Committee
 - Deliverables
 - Overview of the Audit Approach & Risk Assessment
 - Fraud Risks - Related Procedures & Inquiries
 - Relationship & Independence
 - Questions & Discussion
- Executive Session
- Appendices:
 - A. Engagement Letters
 - Attest Services
 - B. Background on CBIZ & CBIZ CPAs

Executive Summary – Planning Meeting

The purpose of this presentation is to provide an overview to the Audit & Risk Committee of our audit plan for the year ended October 31, 2025, including a summary of our overall objectives for the audit, and the nature, significant risks, scope, and timing of the audit work.

- Independent Auditors' Report on the Financial Statements of Hugh L. Carey Battery Park City Authority (the Organization)
- Independent Auditors' Report on Compliance with the Organization's Investment Guidelines

Service Delivery Timeline

Attest Services	FY 2025	FY 2024 Actual
Interim Review – April 30:		
Initial trial balance and review workpapers provided to our audit team	June 24, 2025	June 24, 2024
Draft review report received from management	July 22, 2025	July 23, 2024
Presentation of draft review report to the Audit & Risk Committee	October 1, 2025	September 10, 2024
Issuance of review report	By October 3, 2025	September 27, 2024
Audit – October 31:		
Planning meeting with the Audit & Risk Committee	October 1, 2025	September 10, 2024
Year-end audit fieldwork	December 10-19, 2025	December 11-20, 2024
Draft financial statements received from management	1 st Week of January 2026	January 6, 2025
Presentation materials to the Audit & Risk Committee	Mid-January 2026	January 21, 2025
Review audit results with the Audit & Risk Committee	Late January 2026	January 28, 2025
Report issuance, after approval by the Members	By January 31, 2026	January 30, 2025

Engagement Objectives

- Independent audit of the financial statements of the Organization in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*
- Independent audit of the Organization's compliance with its investment guidelines and the State Comptroller's investment guidelines for public authorities
- Independent feedback to management and the Board through our management letter comments
- Matters required to be communicated to those charged with governance

Engagement Deliverables

Engagement Deliverables

1. Issuance of an opinion on the financial statements
2. Issuance of a report under *Government Auditing Standards*
3. Issuance of an opinion on the Organization's compliance with its investment guidelines and the State Comptroller's investment guidelines for public authorities
4. Independent feedback and insights on the results of the audit, other required communications as well as business and industry perspectives

Our Responsibilities – Financial Statements

- 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 on whether 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).
 1. Reasonable assurance is a high level of assurance, but not absolute, in the detection of material misstatements; material misstatements are items that would influence users of the financial statements
 2. 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 risks to allow support for our opinion
 3. This process entails assessing accounting policies and estimates, including disclosures, to result in fair presentation
 4. We will conclude, based on the audit evidence, relative to the ability of the entity to continue as a going concern for a reasonable period of time
 5. We will communicate significant matters related to the audit

See Engagement Letters in Appendix for full responsibility details

Our Responsibilities – Financial Statements and Interim Financial Information

- U.S. GAAP require that management's discussion and analysis and certain pension and OPEB related schedules be presented to supplement the basic financial statements. Such required supplementary information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We will apply certain limited procedures to the required supplementary information in accordance with GAAS. 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.
- 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, 2025.
- Issue a review report on the Organization's interim financial information as of and for the six-month period ended April 30, 2025 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 U.S. GAAP.

See Engagement Letters in Appendix for full responsibility details

Responsibilities of Management

For all Attest Services:

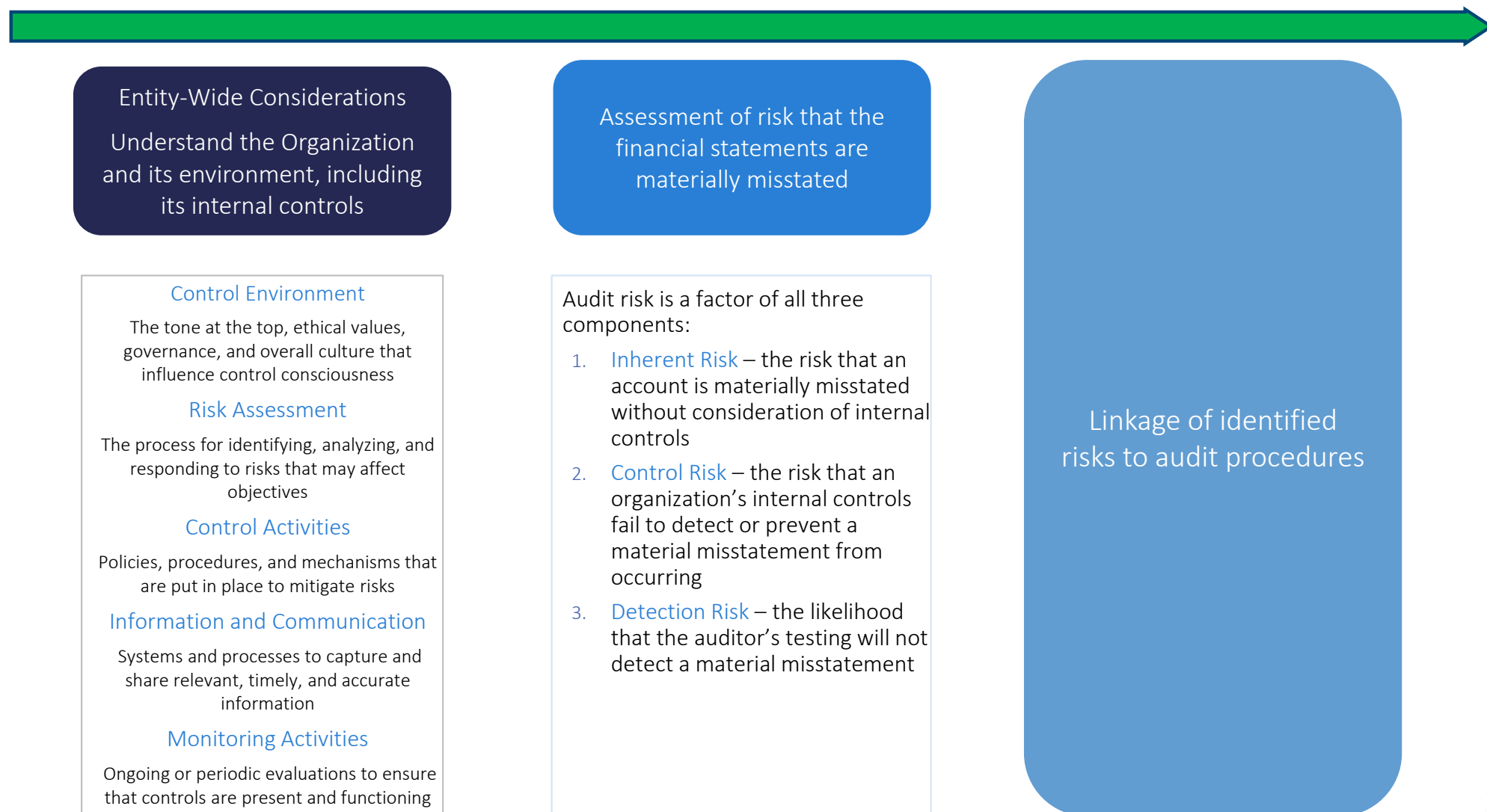
- Making all management decisions and performing all management functions
- Preparing and presenting the financial statements in conformity with U.S. GAAP
- Access to and accuracy of financial records and related information
- Selecting and applying accounting policies
- Safeguarding of all assets
- 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
- Providing us with written representation letters regarding certain matters

Responsibilities of Audit & Committee

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

See Engagement Letters in Appendix for full responsibility details

Overview of the Audit Approach & Risk Assessment



Overview of the Audit Approach & Risk Assessment

Our audit procedures are designed to address each identified RMM and Significant Risk
The following slides summarize the key considerations in our risk assessment process, along with the audit procedures we may perform to address them.

Risk of Material Misstatement (RMM) and Significant Risks

- RMM is the risk that financial statements are materially misstated due to error or fraud, before audit procedures.
- RMM is based on inherent risk and control risk within the organization—identification does not indicate wrongdoing
- Significant risks are those RMMs requiring special audit focus, either by professional standards or auditor judgment
- We will communicate all identified significant risks to the Audit & Risk Committee

Material misstatements may result from:

- Management override of controls
- Errors
- Fraudulent financial reporting
- Misappropriation of assets
- Violations of laws or governmental regulations
- Judgments and estimates

Overview of the Audit Approach & Risk Assessment

We expect the items below to be significant risks under our risk assessment framework. If additional risks are identified, we will communicate those to the Audit & Risk Committee at the end of the audit.

Description of Significant Risk	Audit Procedures to be Performed
<p>Management Override of Controls Significant Fraud Risk</p> <p>Even well-designed controls can be overridden by management. The risk is present in every organization and is a presumed audit risk under professional standards</p>	<ul style="list-style-type: none">• 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

Overview of the Audit Approach & Risk Assessment

Description of RMM	Audit Procedures to be Considered
Errors Unintentional mistakes in financial statements	<ul style="list-style-type: none"> • Perform recalculation and reperformance of critical accounting procedures • Test account balances and transactions – details on following slides
Fraudulent Financial Reporting Intentional misstatement or omission of financial information	<ul style="list-style-type: none"> • Perform journal entry testing with a focus on manual entries made at period-end or by senior management • Review for unusual or complex transactions, particularly those that lack a clear business purpose. • Conduct inquiries with management and those charged with governance about incentives/pressures to manipulate results • Perform analytical procedures to detect inconsistencies or anomalies. • Review board and committee minutes, and consider whistleblower complaints
Misappropriation of Assets Theft or misuse of organizational assets, including from inadequate segregation of duties and unusual transactions	<ul style="list-style-type: none"> • Evaluate internal controls over cash disbursements and other high-risk assets • Review reconciliations and test for unusual reconciling items
Violations of Laws or Governmental Regulations Noncompliance with legal or regulatory requirements	<ul style="list-style-type: none"> • Inquire of legal counsel and management for outstanding matters • Review compliance reports, filings, and litigation
Judgments and Estimates Areas requiring significant judgment	<p>For the October 31, 2025, financial statement audit, we've preliminarily determined the following judgments and estimates to require a focused audit response:</p> <ul style="list-style-type: none"> • Useful Lives of Capital Assets and Determination of When Assets are Placed in Service for Construction in Progress: Important Judgment • Allowance for Uncollectible Receivables: Important Judgment • OPEB & Pension Liabilities and Benefits: Important Judgment • Leases (for any New or Modified Leases): Important Judgment <p>Our test will include:</p> <ul style="list-style-type: none"> • Evaluate the reasonableness of management assumptions • Develop independent estimates or use specialist support where needed • Review historical accuracy of estimates to assess bias or inconsistencies • Examine subsequent events that may validate or contradict the estimate at year-end

Overview of the Audit Approach & Risk Assessment

Specific Areas of Audit Focus will include:

- **Cash and Investments** - Confirmation of cash/investment balances and review of restricted cash/investment balances.
- **Receivables** - Accounts receivable and related reserve for uncollectible receivables.
- **Capital Assets** - Useful lives of capital assets and accounting for capital expenditures.
- **Long-Term Debt** - Confirmation of long-term debt and compliance with debt and other agreements.
- **Net Position** - Classification of net position (deficit) between net investment in capital assets, restricted and unrestricted.
- **Rental Income** - Revenue recognition, particularly relating to leases.
- **Assessment of litigation, claims, and assessments**
- **Financial statements** - evaluation of the completeness and accuracy of presentation of the financial statements and related footnote disclosures

Fraud Risk - Related Procedures & Inquires

Our Approach to Detecting Fraud

1. Questionnaires to key employees regarding fraud matters
2. Oral inquiries with certain members of the management team and those charged with governance
3. Consideration of incentives, pressures, opportunities, and attitudes/tone at the top
4. Understanding of internal controls at various levels
5. Follow-up on noted matters, considering the effect on the audit plan

Inquiries of Governance

1. Is the Committee aware of any fraud, suspected fraud, or allegations?
 - subject to internal investigations or regulatory inquiries related to fraud?
 - Has external or internal counsel raised concerns?
 - Have any findings been reported through compliance hotlines?
2. Does the Committee have any concerns about specific exposures to fraud or accounts that may be susceptible to fraud?
 - pressures to meet financial or programmatic expectations (e.g., from donors or grantors)?
3. Has management discussed internal control to prevent, detect, and deter material fraud with the Committee?
4. Are there any other risks/areas of concern where you believe we should focus audit attention?

Relationship and Independence

CBIZ has been engaged to prepare certain information and tax return filings; we have concluded these are permitted non-audit services 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

Questions & Discussion



New Developments & Forward Considerations



New Developments & Forward Considerations

New GASB Pronouncements

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
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)	No significant impact is anticipated
GASB 104, Disclosure of Certain Capital Assets	Requires certain types of capital assets to be disclosed separately in the capital assets note disclosure. The Statement also required additional disclosures for capital assets held for sale and for such assets to be evaluated each reporting period.	Fiscal years beginning after June 15, 2025 (i.e., FY 2026).	No significant impact is anticipated

Executive Session



Appendix A

Engagement Letters

- October 31, 2025 Audit (Draft)
- April 30, 2025 Interim Review



September XX, 2025

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

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

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”), 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 AND OUR RESPONSIBILITIES

We will audit the Entity’s statement of net position (deficit) as of October 31, 2025 and the related statements of revenues, expenses and changes in net position (deficit) and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Client’s basic financial statements as listed in the table of contents.

The objectives of our audit of the financial statements 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. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. 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 auditing standards generally accepted in the United States of America (“GAAS”) and in accordance with *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.

Accounting principles generally accepted in the United States of America (“U.S. GAAP”) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain

information, such as management's discussion and analysis ("MD&A"), and various pension and other post-employment benefits (OPEB) schedules, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the Client's required supplementary information ("RSI") in accordance with GAAS. These limited procedures will consist of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI, 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 U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Employer Contributions
- Schedule of Changes in Total OPEB Liability and Related Ratios

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 Client's compliance with its investment guidelines and the State Comptroller's investment guidelines for public authorities as of and for the year ended October 31, 2025.

Auditor Responsibilities

We will conduct our audits in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we will exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

1. 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.
2. Obtain an understanding of 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses

in internal control relevant to the audit of the financial statements that we have identified during the audit.

3. 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.
4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Client's basic financial statements. Our report will be addressed to the governing body of the Client. 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 opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

MANAGEMENT'S RESPONSIBILITIES

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

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. For the design, implementation, and maintenance of an effective system of internal control over the financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report (if applicable).
4. For adjusting the financial statements to correct material misstatements and 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 current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
5. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
6. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
7. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
8. For the accuracy and completeness of all information provided;
9. For the evaluation of the effectiveness of the entity's internal control over financial reporting using suitable and available criteria;
10. For providing us with management's written assessment about the effectiveness of the entity's internal control over financial reporting;
11. For supporting management's assessment about the effectiveness of the entity's internal control over financial reporting with sufficient evaluations and documentation (e.g., policy or accounting manuals, narrative memoranda, flowcharts, decision tables, procedural write-ups, or completed questionnaires)
12. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
13. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

Management is responsible for all management decisions and performing all management functions including critical judgments and conclusions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee any financial statement preparation services, assistance with the preparation of the Data Collection Form, bookkeeping services, tax services, or other services we or our associated company CBIZ, Inc. (or its related entities (collectively with CBIZ, Inc., “CBIZ”)) provides.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. If you are missing any documents or workpapers from our prior years’ engagements (if applicable), it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors’ report to the date the financial statements are issued.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity’s significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management’s consultations with other accountants, if any; and

- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

ENGAGEMENT FEES

We will complete the aforementioned services for the year ended October 31, 2025 for a fixed fee of \$111,300.

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

Upon signing this letter	\$ 5,000
December 15, 2025	30,000
January 15, 2026	30,000
Issuance of reports	<u>46,300</u>
	<u>\$111,300</u>

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 Client's records and, where applicable, upon the Client'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., Client employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.). Circumstances – including but not limited to those such as those listed in Appendix A – may arise during the engagement that may cause delay or significantly affect our fees. CBIZ CPAs shall not be responsible for any consequences.

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/2025/01/30153809/BPCA-Prompt-Payment-Policy-Fiscal-Year-2024.pdf>)

OTHER MATTERS

Auditors' Report and Reproduction

We will issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to those charged with governance. 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,

add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report. If for any reason, we are unable to complete the audit or we are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

Background Checks

As a matter of our Firm policy, we may perform background checks, which may require out-of-pocket expenses. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures, and we reserve the right to withdraw from any relationship should information we deem to be adverse come to our attention.

Independence and Our Personnel

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. These services are being provided under the AICPA and Government Accountability Office (GAO) independence standards. If the Client becomes subject to Public Company Accounting Oversight Board ("PCAOB") or Securities and Exchange Commission ("SEC") independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA and *Government Auditing Standards* may have impaired our past or may impair our future independence under the PCAOB and SEC standards. CBIZ CPAs' acceptance of this engagement is conditioned on confirming that it is independent under applicable standards. We will inform you promptly if we determine that we are not independent.

In addition, we will periodically reevaluate our independence as part of our customary client continuance process or more frequently, should circumstances arise that may require us to investigate whether our independence may have been impaired in which case we may terminate and resign from this engagement in our sole and absolute discretion. You agree to promptly advise us of any matters or changes in circumstances that could affect our independence or give rise to conflicts including changes in senior management or the Board, or entities that may have preexisting relationships with CBIZ or CBIZ CPAs or conflicts that could affect our independence.

Any discussions that the Client has with personnel of CBIZ CPAs or CBIZ regarding potential employment with the Client could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure our independence on this engagement. Any additional costs incurred due to these procedures will be billed at our standard hourly rates.

Furthermore, we strive to maintain a staff of quality, trained professionals. In recognition of the investment we have made to recruit and develop our personnel, solely to the extent not prohibited by law, you agree to not solicit any of our employees involved in this engagement at any time while we are performing services for you or within one year thereafter; irrespective of whether they've worked on your account or not. However, this limitation shall not apply to employment via a general solicitation or open job posting which is not directed towards the employee or CBIZ CPAs.

Access to Working Papers; Confidentiality

Our workpapers and files for this engagement are the property of CBIZ CPAs. If we receive a subpoena or other administrative, judicial, or government demand or request requiring it to provide information or documents, we will, unless prohibited by law, provide written notice to the Client of such demand or request. The Client shall reimburse CBIZ CPAs for our time at standard rates and reasonable expenses (including reasonable attorneys' fees and expenses) incurred in responding to such demands or requests.

Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. CBIZ CPAs will treat the Client's confidential information in accordance with applicable professional standards. The Client acknowledges and agrees that we may disclose confidential information as directed by the Client or as permitted by law, rule, regulation, professional standards or guidelines, or the terms of this engagement letter. The Client authorizes CBIZ CPAs to use email and other electronic methods to transmit and receive information, including confidential information, related to this engagement. CBIZ CPAs will employ commercially reasonable efforts to protect the confidentiality of transmitted information.

In performing our engagement, we will utilize professional and administrative staff who are employed by or otherwise associated with CBIZ or other entities. These individuals will be under the direct control and supervision of CBIZ CPAs, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and CBIZ CPAs has contractual agreements requiring confidential treatment of all client information.

In addition, the Client agrees that we may provide CBIZ with access to the Client's accounting, financial, and other records in our possession so that CBIZ can provide the Client with any services it has engaged them to perform.

Should you request that we use a third-party electronic file transfer service in connection with this engagement, you acknowledge that CBIZ CPAs makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer

service. You also agree that CBIZ CPAs is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

Termination

Our engagement ends on the earlier of termination or resignation (including without limitation, our declining to issue a report or other work product) or CBIZ CPAs' delivery of its report. We acknowledge your right to terminate this agreement at any time, and you acknowledge our right to terminate this agreement and resign at any time in our sole and absolute discretion.

Agreement

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Client and that no other person or entity shall be authorized to enforce the terms of this engagement. The undersigned represents and warrants that it has the requisite authority and consents to enter into and perform this Agreement and the obligations herein for and on behalf of the Hugh L. Carey Battery Park City Authority.

If you agree with the terms of our engagement, as described in this letter, please affix your e-signature and return the letter to us via DocuSign and we will return a fully executed letter to you.

In accordance with the requirements of *Government Auditing Standards*, our latest external peer review report of our Firm is available upon request.

Very truly yours,

Warren Ruppel, CPA
Shareholder
CBIZ CPAs P.C.

ACCEPTED

This letter correctly sets forth the agreement of Hugh L. Carey Battery Park City Authority.

Authorized signature: _____

Hugh L. Carey Battery Park City Authority

September XX, 2025

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Name: _____

Title: _____

Date signed: _____

DRAFT



July 22, 2025

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

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

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”), 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 AND OUR RESPONSIBILITIES

We will review the Entity’s interim statement of net position (deficit) as of April 30, 2025 and the related statements of revenues, expenses and changes in net position (deficit) and cash flows and related notes for the six-month period then ended (collectively referred to as the “financial statements”) and issue an accountants’ report thereon, in accordance with the auditing standards established by the American Institute of Certified Public Accountants (“AICPA”). The objective of the review of the interim financial information is to provide our firm with a basis for reporting whether we are 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”). These interim financial statements are the responsibility of the Company’s management.

U.S. GAAP as promulgated by the Governmental Accounting Standards Board (“GASB”) require that certain information, such as management’s discussion and analysis (“MD&A”) and various pension and other post-employment benefits (OPEB) schedules, be presented to supplement the

Hugh L. Carey Battery Park City Authority

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basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the Company's required supplementary information ("RSI") in accordance with GAAS. These limited procedures will consist of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI, 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 U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Employer Contributions
- Schedule of Changes in Total OPEB Liability and Related Ratios

A review includes obtaining sufficient knowledge of your business and system of internal control, as it relates to the preparation and fair presentation of both annual and interim financial information, to enable our firm to identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and to select the inquiries and analytical procedures that will provide our firm with 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 U.S. GAAP.

A review is substantially less in scope than an audit of the financial statements, the objective of which is the expression of an opinion that the financial statements, taken as a whole, are free of material misstatement. A review does not provide a basis for expressing an opinion about whether the interim financial information is presented fairly, in all material respects, in conformity with U.S. GAAP. In addition, a review does not provide us with a basis for obtaining reasonable assurance that we will become aware of all significant findings or issues that would be identified in an audit. Additionally, a review is not designed to provide us with a basis for obtaining reasonable assurance on a system of internal control or to identify significant deficiencies or material weaknesses in a system of internal control. However, we are responsible for communicating to management and those charged with governance any significant deficiencies or material weaknesses in a system of internal control that we identify during the performance of review procedures. Therefore, a review provides only limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with U.S. GAAP.

Our review will be conducted in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial statements consists principally of performing analytical procedures and making

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inquiries of persons responsible for financial accounting matters. The information provided by management, including the responses to our inquiries, will not be verified or corroborated. As a review has substantially less scope than an audit of financial statements, the objective of which is the expression of an opinion regarding the financial information as a whole, we will not express an opinion on the interim financial information. Because we are not performing an audit, management agrees not to record or describe our services as an audit or “auditing” in its minutes or other books of record.

MANAGEMENT’S RESPONSIBILITIES

The Company’s management is responsible for:

1. The selection of the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the selected financial reporting framework and the inclusion of all informative disclosures that are appropriate for the specified reporting framework.
3. The design, implementation, and maintenance of a system of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error; as well as identifying and ensuring that the organization complies with the laws and regulations applicable to its activities.
4. Having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company that involves management, employees who have significant roles in your system of internal control, and others where the fraud could have a material effect on the interim financial statements.
5. Informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others.
6. Ensuring that the entity complies with the laws and regulations applicable to its activities.
7. The accuracy and completeness of the records, documents, explanations, and other information including significant judgments management provides for the preparation of the financial statements.
8. Providing us with documentation, and other related information that is relevant to the preparation and presentation of the financial statements; as well as additional information that may be requested for the purpose of the preparation and presentation of the financial

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statements; and allowing unrestricted access to persons within the company with whom the firm determines it necessary to communicate.

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

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

As part of our engagement, we may advise you about appropriate accounting principles and their application; however, management acknowledges and understands that the final responsibility for the preparation and fair presentation of the interim financial statements in accordance with U.S. GAAP and the inclusion of all informative disclosures that are appropriate for U.S. GAAP, remains with you. As such, management is responsible for adjusting the financial statements and 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 current periods under review are immaterial, both individually and in the aggregate, to the interim financial information taken as a whole. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. If you are missing any documents or workpapers from our prior years' engagements (if applicable), it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You acknowledge that we must have adequate time to conduct our engagement. The Company's management is responsible for making all financial records and related information available to us. We will require your assistance to provide us with information on a timely basis in order to complete our engagement in an efficient and timely manner. Should we not receive such information and assistance from you with sufficient time to complete our engagement procedures, then you acknowledge that we can give no assurances that our engagement will be completed prior to the date that it may be required.

Management Representations

At the conclusion of our review, we will request certain written representations from you that, among other things, will confirm management's responsibility for the preparation of the financial statements in accordance with U.S. GAAP attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our work, the completeness and availability of all minutes of the Board and committee meetings, and, to the best of your knowledge and belief, the absence of irregularities involving management or those employees who have

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significant roles in the Company's internal control structure. Management is also responsible for adjusting the financial statements to correct misstatements and for affirming to us in the 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. The management representation letter must be signed and returned to us before we will release our review report.

Management is responsible for all management decisions and performing all management functions including critical judgments and conclusions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee any financial statement preparation services, bookkeeping 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 and designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Detection of Errors and Irregularities

Our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with laws and regulations that may exist. However, we will inform the appropriate level of management of any significant matters arising during the engagement, including the nature of those matters relevant to the performance of the review. Our communications will include material errors and any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. We will also report to the appropriate level of management any evidence or information that comes to our attention regarding noncompliance with laws and regulations that may have occurred, unless clearly inconsequential.

ENGAGEMENT FEES

We will complete the aforementioned services for the six-month period ended April 30, 2025 for a fixed fee of \$20,600 payable upon the delivery of our review report. The delivery of the review report occurs after acceptance by the Audit and Finance Committee.

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/2025/01/30153809/BPCA-Prompt-Payment-Policy-Fiscal-Year-2024.pdf>

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.

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Additionally, our fees are dependent on the availability, quality, and completeness of the Company's records and, where applicable, upon the Company's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work. Circumstances – including but not limited to those such as those listed in Appendix A – may arise during the engagement that may cause delay or significantly affect our fees. CBIZ CPAs shall not be responsible for any consequences that may impact the Company as a result of any such delay.

OTHER MATTERS

Background Checks

As a matter of our Firm policy, we may perform background checks, which may require out-of-pocket expenses, on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention.

Independence and Our Personnel

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. These services are being provided under the AICPA independence standards. If the Company becomes subject to Public Company Accounting Oversight Board ("PCAOB") or Securities and Exchange Commission ("SEC") independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards. CBIZ CPAs' acceptance of this engagement is conditioned on confirming that it is independent under applicable standards. We will inform you promptly if we determine that we are not independent.

In addition, we will periodically reevaluate our independence as part of our customary client continuance process or more frequently, should circumstances arise that may require us to investigate whether our independence may have been impaired in which case we may terminate and resign from this engagement in our sole and absolute discretion. You agree to promptly advise us of any matters or changes in circumstances that could affect our independence or give rise to conflicts including: changes in beneficial owners of more than 20% of your voting interests, senior management or the board of directors, or potential mergers, acquisitions or business combinations with companies that may have preexisting relationships with CBIZ or CBIZ CPAs or conflicts that could affect our independence.

Any discussions that the Company has with personnel of CBIZ CPAs or CBIZ regarding potential employment with the Company could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional

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procedures to ensure our independence on this engagement. Any additional costs incurred due to these procedures will be billed at our standard hourly rates.

Furthermore, we strive to maintain a staff of quality, trained professionals. In the event any CBIZ CPAs or CBIZ personnel accepts a position of employment with the Company, or any of its related parties or affiliates, at any time while we are performing services for you or within one year thereafter, irrespective of whether they have worked on your account or not, you agree to pay us a placement fee equal to the employee's annual compensation in effect on the date such employment was contracted. Such fee is payable when the employee accepts such a position.

Access to Working Papers; Confidentiality

Our workpapers and files for this engagement are the property of CBIZ CPAs. If we receive a subpoena or other administrative, judicial, or government demand or request requiring us to provide information or documents, we will, unless prohibited by law, provide written notice to the Company of such demand or request. The Company shall reimburse CBIZ CPAs for our time at standard rates and reasonable expenses (including reasonable attorneys' fees and expenses) incurred in responding to such demands or requests.

Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. CBIZ CPAs will treat the Company's confidential information in accordance with applicable professional standards.

In performing our engagement, we will utilize professional and administrative staff who are employed by or otherwise associated with CBIZ or other entities. These individuals will be under the direct control and supervision of CBIZ CPAs, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and CBIZ CPAs has contractual agreements requiring confidential treatment of all client information.

In addition, the Company agrees that we may provide CBIZ with access to all information that management is aware of that is relevant to the preparation and fair presentation of the interim financial statements such as records, documentation and other matters; for the accuracy and completeness of the information that is provided to us; and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements so that CBIZ can provide the Company with any services it has engaged them to perform.

With regard to the electronic dissemination of the Company's financial statements, including financial statements published electronically on the Company's website, we are not required to read the information contained in those sites or to consider the consistency of other information in

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the electronic site with the original document. However, you agree that you will notify us and obtain our approval prior to including any of our reports on any electronic site.

Should you request that we use a third-party electronic file transfer service in connection with this engagement, you acknowledge that CBIZ CPAs makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer service. You also agree that CBIZ CPAs is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

You agree that we may use confidential information we receive as part of this engagement for internal and/or third-party data analysis or other insight generation. Information developed in connection with these purposes may be disclosed to you or current or prospective clients, but only on an anonymous basis; we will not use or disclose confidential information in a way that would permit you to be identified by third parties without your consent.

Corporate Transparency Act/Beneficial Ownership Reporting

Please be aware that there are requirements for certain companies to report beneficial ownership information (“BOI”) in compliance with the Corporate Transparency Act (“CTA”). Such requirements can be found at <https://www.fincen.gov/boi>. If you have any questions regarding the applicability of the CTA’s reporting requirements or the BOI to be collected and reported, we suggest that you consult with your own legal counsel as CBIZ CPAs is not assisting or advising you on the CTA under this agreement.

If you agree with the terms of our engagement, as described in this letter, please affix your e-signature and return the letter to us via DocuSign and we will return a fully executed letter to you.

We appreciate the opportunity to be of service to you and believe this letter accurately reflects the terms of our engagement. If you have any questions, please let us know.

Very truly yours,

Signed by:

F576C76AC93046F...

Warren Ruppel, CPA
Shareholder
CBIZ CPAs P.C.


ACCEPTED

This letter correctly sets forth the agreement of Hugh L. Carey Battery Park City Authority.

Hugh L. Carey Battery Park City Authority

July 22, 2025

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DocuSigned by:

By 027A81FF321A49A...
Pamela M. Frederick, Chief Financial Officer

Date 7/22/2025

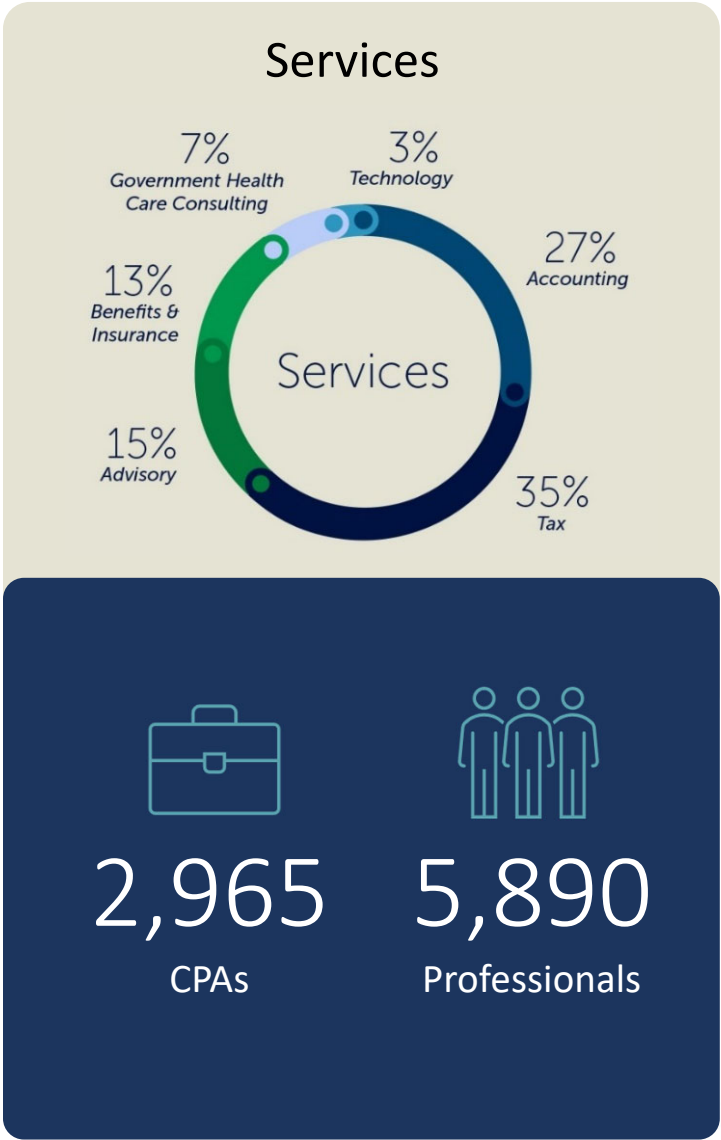


Appendix B

Background on CBIZ and CBIZ CPAs



Background on CBIZ and CBIZ CPAs



Background on CBIZ and CBIZ CPAs

A National Leader in Accounting, Tax & Advisory Services

- Leading middle market professional services firm nationally.
- Recently merged with Marcum demonstrating a commitment to continuity of existing teams while providing broader capability and enhanced access to experts for all clients.






Practice Structure

- CBIZ provides tax and consulting services while CBIZ CPAs provides financial statement audits and other attest services. Like many other national firms, our attest practice is organized as a separate and independent legal entity from our tax and consulting activities. Together CBIZ and CBIZ CPAs work seamlessly together to serve our clients through a long-term administrative services agreement.

Not-For-Profit (NFP) Sector

- The NFP sector is one of our largest focus areas with our firm being a recognized national leader in serving not-for-profit organizations. We attract, develop, and retain talent to ensure a knowledgeable team that consistently engages with our clients. Our investment in people, technology, and value-added service areas delivers innovation, savings and operational excellence for our NFP clients.

Keeping You Informed & Supporting Innovation

 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/CBIZNewsletters

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:

- Outsourced accounting and operations support
- Data Security, Cyber and Information Technology
- AI Planning and Management
- Healthcare/Benefits Cost Savings Solutions
- Insurance and Risk Management Advisory/Brokerage
- Investment Advisory
- HR, Compensation Advisory, Executive Search

Commitment to Diversity & Inclusion

How we embrace and treat our people is important to team continuity and service satisfaction for your organization. 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



CEO ACTION FOR DIVERSITY & INCLUSION

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



TRAINING, LEARNING & DEVELOPMENT

Required for all team members on an ongoing basis



EMPLOYEE BENEFITS

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



LOCAL INITIATIVES

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



EMPLOYEE RESOURCE GROUPS

We offer four employee resource groups: CBIZ BIPOC, CBIZ PRIDE, CBIZ Women's Advantage and CBIZ Young Professionals