

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

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

October 31, 2025 and 2024

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

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

October 31, 2025 and 2024

Table of Contents

	Pages
Independent Auditors' Report	1-3
Management's Discussion and Analysis (Unaudited)	4-18
Basic Financial Statements:	
Statements of Net Position (Deficit)	19-20
Statements of Revenues, Expenses, and Changes in Net Position (Deficit)	21
Statements of Cash Flows	22-23
Notes to Financial Statements	24-57
Required Supplementary Information (Unaudited):	
Schedule of the Organization's Proportionate Share of the Net Pension Liability	58
Schedule of Employer Contributions	59
Schedule of Changes in Total OPEB Liability and Related Ratios	60

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hugh L. Carey Battery Park City Authority (the "Organization"), a component unit of the State of New York, as of and for the years ended October 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of October 31, 2025 and 2024, and the related changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the schedule of the Organization's proportionate share of the net pension liability on page 58, the schedule of employer contributions on page 59, and the schedule of changes in total OPEB liability and related ratios on page 60, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

New York, NY
January 30, 2026

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Overview

The following is an overview of the financial activities of Hugh L. Carey Battery Park City Authority (the "Authority") or "Organization" and the Battery Park City Parks Conservancy (the "Conservancy"), a blended component unit of the Authority. The Conservancy had no activity for the fiscal years ended October 31, 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 fiscal year ended October 31, 2025 yielded a total of \$444.9 million in operating revenues, an increase of \$19.0 million or 4.5% over the prior fiscal year. Payments in lieu of taxes ("PILOT") revenue totaling \$308.3 million (69% of the Authority's operating revenues for the fiscal year ended October 31, 2025) increased \$7.7 million or 2.6% compared to the fiscal year ended October 31, 2024. Base rent totaled \$47.9 million, an increase of \$233 thousand or 0.50% for the fiscal year ended October 31, 2025. Lease interest and other operating revenues increased \$11.0 million or 14.2% to \$88.7 million for the fiscal year ended October 31, 2025. All of the lease interest, \$57.4 million, reflects the annual amount recognized for each lease under Governmental Accounting Standards Board Statement No. 87, *Leases* ("GASB 87"). Total operating expenses decreased \$4.0 million (5.5%) to \$68.1 million for the fiscal year ended October 31, 2025.
- A payment of \$182.5 million was made in June 2025 to the City of New York (the "City") under the Settlement Agreement for the fiscal year ended October 31, 2024, reflecting the PILOT-related portion of excess revenues. A provision of \$186.5 million was recorded representing the PILOT-related portion of fiscal year 2025 excess revenues for the fiscal year ended October 31, 2025 (see note 13). This was an increase of \$4.0 million over the amount recorded for the fiscal year ended October 31, 2024.
- Pursuant to an amendment to the Settlement Agreement executed July 15, 2024, a payment of \$46.0 million was made in February 2025 to the New York City Housing Development Fund ("HDF") from the Joint Purpose Fund for the fiscal year ended October 31, 2024. The Authority recorded an additional provision of \$53.8 million that will fund the Joint Purpose Fund for the fiscal year ended October 31, 2025.
- As of October 31, 2025, \$144.8 million remained in the Project Cost funds to be used for resiliency, certain infrastructure uses and other capital purposes as compared to \$271.8 million as of October 31, 2024 (see note 8).

Financial Highlights – 2024

The fiscal year ended October 31, 2024 yielded a total of \$425.9 million in operating revenues, an increase of \$10.1 million or 2.4% over the prior fiscal year. PILOT revenue totaling \$300.6 million (71% of the Authority's operating revenues for the fiscal year ended October 31, 2024) increased \$12.4 million or 4.3% compared to the fiscal year ended October 31, 2023. Base rent totaled \$47.7 million, an increase of \$1.9 million or 4.0% for the fiscal year ended October 31, 2024. Lease interest and other operating revenues decreased \$4.2 million or 5.2% to \$77.7 million for the fiscal year ended October 31, 2024.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Lease interest of \$57.2 million for the fiscal year ended October 31, 2024 is the amount recognized each year under GASB 87. Total operating expenses increased \$1.1 million or 1.5% to \$72.1 million for the fiscal year ended October 31, 2024.

- A payment of \$174.4 million was made in May 2024 to the City under the Settlement Agreement for the fiscal year ended October 31, 2023, reflecting the PILOT-related portion of excess revenues. A provision of \$182.5 million was recorded representing the PILOT-related portion of fiscal year 2024 excess revenues for the fiscal year ended October 31, 2024. This was an increase of \$8.2 million over the amount recorded for the fiscal year ended October 31, 2023.
- Pursuant to an amendment to the Settlement Agreement executed July 15, 2024, the Authority distributed \$140.4 million of funds that had accumulated in the Joint Purpose Fund to HDF. The Authority recorded an additional provision of \$46.0 million in the Joint Purpose Fund to be transferred to HDF for the fiscal year ended October 31, 2024.
- As of October 31, 2024, \$271.8 million remained in the Project Cost funds to be used for resiliency, certain infrastructure uses and other capital purposes as compared to \$389.6 million as of October 31, 2023.

Summary Statement of Net Position (Deficit)

The summary statement of net position (deficit) presents the financial position of the Organization. The net position (deficit) is the difference between total assets plus total deferred outflows of resources and total liabilities plus the deferred inflows of resources. A summarized comparison of the Organization's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (deficit) at October 31, 2025, 2024 and 2023 follows:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

	October 31			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Assets:					
Bank deposits, investments and rents and other receivables	\$ 47,705,086	26,966,059	28,291,957	20,739,027	(1,325,898)
Bond resolution restricted assets (current and noncurrent)	503,183,941	613,257,138	666,946,390	(110,073,197)	(53,689,252)
Battery Park City Project assets, net	897,756,002	736,269,019	613,153,316	161,486,983	123,115,703
Lease and accrued interest receivables	1,791,372,907	1,754,287,818	1,750,793,535	37,085,089	3,494,283
Other current and noncurrent assets	162,453,849	150,191,102	230,615,564	12,262,747	(80,424,462)
Total assets	3,402,471,785	3,280,971,136	3,289,800,762	121,500,649	(8,829,626)
Deferred Outflows of Resources:					
Deferred pension outflows	3,919,866	4,888,083	5,395,721	(968,217)	(507,638)
Deferred OPEB outflows	10,328,097	4,413,919	5,103,371	5,914,178	(689,452)
Total deferred outflows of resources	14,247,963	9,302,002	10,499,092	4,945,961	(1,197,090)
Total assets and deferred outflows of resources	\$ 3,416,719,748	3,290,273,138	3,300,299,854	126,446,610	(10,026,716)
Liabilities:					
Current liabilities	\$ 429,038,121	370,757,147	272,998,026	58,280,974	97,759,121
Long-term liabilities	1,229,839,048	1,263,401,766	1,298,255,457	(33,562,718)	(34,853,691)
Total liabilities	1,658,877,169	1,634,158,913	1,571,253,483	24,718,256	62,905,430
Deferred Inflows of Resources:					
Deferred lease inflows	1,740,851,205	1,750,518,313	1,794,503,742	(9,667,108)	(43,985,429)
Deferred pension inflows	374,475	2,821,569	704,638	(2,447,094)	2,116,931
Deferred OPEB inflows	13,863,352	15,979,753	17,074,082	(2,116,401)	(1,094,329)
Unamortized gain on extinguishment of bonds	7,271,075	9,718,847	12,166,619	(2,447,772)	(2,447,772)
Total deferred inflows of resources	1,762,360,107	1,779,038,482	1,824,449,081	(16,678,375)	(45,410,599)
Net Position (Deficit):					
Net investment in capital assets	333,875,312	270,349,027	254,757,195	63,526,285	15,591,832
Restricted	128,418,986	86,996,641	186,400,001	41,422,345	(99,403,360)
Unrestricted	(466,811,826)	(480,269,925)	(536,559,906)	13,458,099	56,289,981
Total net deficit	(4,517,528)	(122,924,257)	(95,402,710)	118,406,729	(27,521,547)
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 3,416,719,748	3,290,273,138	3,300,299,854	126,446,610	(10,026,716)

Assets and Deferred Outflows of Resources

2025 vs. 2024

At October 31, 2025, the Organization maintained total assets and deferred outflows of resources of approximately \$3.42 billion, \$126.4 million higher than the \$3.29 billion at October 31, 2024.

2024 vs. 2023

At October 31, 2024, the Organization maintained total assets and deferred outflows of resources of approximately \$3.29 billion, \$10.0 million lower than the \$3.30 billion at October 31, 2023.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Bank Deposits, Investments, Rents and Other Receivables

2025 vs. 2024

Bank deposits, investments, and rents and other receivables held at October 31, 2025 increased \$20.7 million over the same period last year. Bank deposits and investments increased by \$3.1 million as a result of the increase in the receipt of unpledged revenues. Rents and other receivables increased by \$17.6 million, due primarily to a reduction of the allowance for doubtful accounts of \$21.4 million resulting from the collection of rent upon the settlement of the bankruptcy associated with The Wagner Hotel and related lease flows and the write-off of receivables due from Pier A. This amount was offset by a decrease in total rental receivables of \$3.8 million.

2024 vs. 2023

Bank deposits, investments, and rents and other receivables held at October 31, 2024 decreased \$1.3 million over the same period last year. Bank deposits and investments decreased by \$400 thousand as a result of the decrease in the receipt of unpledged revenues. Rents and other receivables decreased by \$926 thousand, consisting of an increase in the allowance for doubtful accounts of \$3.3 million, which was offset by an increase in total rental receivables of \$2.4 million.

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 along with the 2023 and 2025 Junior Notes (the Revolvers) Resolutions. Such assets of \$503.2 million at October 31, 2025 were \$110.1 million lower than the fair value of assets held at October 31, 2024 of \$613.3 million (see note 8).

Funds held in the Pledged Revenue Fund of \$221.1 million at October 31, 2025 were \$2.8 million higher than funds held at October 31, 2024.

Funds held in the Debt Service Funds of \$118.2 million at October 31, 2025 were \$12.6 million higher than funds held at October 31, 2024, \$58.0 million of which was held to meet the November 1, 2025 debt service payments.

Funds held in the Project Operating Fund of \$16.4 million at October 31, 2025 were \$1.6 million higher than funds held at October 31, 2024.

Funds held in the Residual Fund were \$2.8 million at October 31, 2025, \$5 thousand lower than funds held at October 31, 2024.

Funds held in the Project Funds (remaining balances of the 2013, 2019 and 2023 project funding) and the 2023 and 2025 Junior Notes (the Revolver Funds) for infrastructure and certain other capital costs were \$144.8 million as of October 31, 2025, \$127.0 million lower than funds held at October 31, 2024, due to the use of bond proceeds to fund capital projects.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

2024 vs. 2023

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions, and the 2013, 2019 and 2023 Revenue Bond Resolutions. Such assets of \$613.3 million at October 31, 2024 were \$53.6 million lower than the fair value of assets held at October 31, 2023 of \$666.9 million.

Funds held in the Pledged Revenue Fund of \$218.3 million at October 31, 2024 were \$12.5 million higher than funds held at October 31, 2023.

Funds held in the Debt Service Funds of \$105.6 million at October 31, 2024 were \$47.7 million higher than funds at October 31, 2023, \$53.0 million of which was held to meet the November 1, 2024 debt service payments.

Funds held in the Project Operating Fund of \$14.8 million at October 31, 2024 were \$3.9 million higher than funds at October 31, 2023.

Funds held in the Residual Fund for payment to the City of \$2.8 million at October 31, 2024 were \$38 thousand higher than at October 31, 2023.

Funds held under the Project Funds for infrastructure and certain other capital costs were \$271.8 million as of October 31, 2024, \$117.8 million lower than funds held at October 31, 2023, due to the use of bond proceeds to fund capital projects.

Lease and Accrued Interest Receivables

2025 vs. 2024

At October 31, 2025, lease receivables, including an increase in accrued interest of \$7.9 million, were recognized in accordance with GASB 87. Such assets of \$1.79 billion at October 31, 2025 were \$37.1 million higher than the value of assets held at October 31, 2024 of \$1.75 billion (see note 14b).

2024 vs. 2023

At October 31, 2024, lease receivables, including an increase in accrued interest of \$8.5 million, were recognized in accordance with GASB 87. Such assets of \$1.75 billion at October 31, 2024 were \$3.5 million higher than the value of assets held at October 31, 2023 of \$1.75 billion.

Project Assets

At October 31, 2025, the Authority's investment in project assets, net of accumulated depreciation, was \$897.8 million, an increase of \$161.5 million over October 31, 2024. The Battery Park City project ("Project") consists of approximately 92 acres of landfill created, owned, leased, and operated by the Authority. The Project's site is fully developed and includes approximately 36 acres of parks and public open space and approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, two museums, five public schools, a public library, and approximately 8,300 rental and condominium residential units. The Authority's Project assets include land, site improvements, and a residential building constructed by the Authority on Site 22. Additionally, condominium units owned by the Authority on Sites 1, 3, 16/17, and a community center on Sites 23 and 24, and related infrastructure improvements are included in project assets. The balances at October 31, 2025, 2024 and 2023 were as follows:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

		October 31			2025 vs	2024 vs
		2025	2024	2023	2024	2023
Land	\$	83,015,653	83,015,653	83,015,653	-	-
Site improvements		503,708,348	506,175,375	503,795,958	(2,467,027)	2,379,417
Residential building and condominium units		147,776,329	147,236,833	147,170,661	539,496	66,172
Construction in progress		391,141,948	216,761,117	85,156,043	174,380,831	131,605,074
		1,125,642,278	953,188,978	819,138,315	172,453,300	134,050,663
Less: accumulated depreciation		(227,886,276)	(216,919,959)	(205,984,999)	(10,966,317)	(10,934,960)
Net Project assets	\$	897,756,002	736,269,019	613,153,316	161,486,983	123,115,703

2025 vs. 2024

For the year ended October 31, 2025, the increase to construction in progress of \$174.4 million relates to the Authority's resiliency projects. Additionally, there were other minor capital improvements (see note 3(c)).

2024 vs. 2023

For the year ended October 31, 2024, the increase to construction in progress of \$131.6 million relates to the Authority's resiliency projects. Additionally, there were other minor capital improvements.

Other Current and Noncurrent Assets

Other current and noncurrent assets at October 31, 2025, 2024 and 2023 were as follows:

		October 31			2025 vs	2024 vs
		2025	2024	2023	2024	2023
Residential lease required funds	\$	33,654,032	32,261,187	30,605,156	1,392,845	1,656,031
Corporate-designated, escrowed and OPEB funds		114,307,741	102,720,559	183,319,259	11,587,182	(80,598,700)
Other assets		14,492,076	15,209,356	16,691,149	(717,280)	(1,481,793)
Total other current and noncurrent assets	\$	162,453,849	150,191,102	230,615,564	12,262,747	(80,424,462)

2025 vs. 2024

Total other current and noncurrent assets increased \$12.3 million from \$150.2 million at October 31, 2024 to \$162.5 million at October 31, 2025.

Residential lease required funds, which include security deposits related to condominium buildings, increased by \$1.4 million.

Overall, corporate-designated, escrowed and OPEB funds increased \$11.6 million from October 31, 2024, primarily due to the increase in the Joint Purpose and OPEB funds.

Other assets decreased \$717 thousand from October 31, 2024.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

2024 vs. 2023

Total other current and noncurrent assets decreased \$80.4 million from \$230.6 million at October 31, 2023 to \$150.2 million at October 31, 2024.

Residential lease required funds, which include security deposits related to condominium buildings, increased by \$1.7 million.

Overall, corporate-designated, escrowed and OPEB funds decreased \$80.6 million from October 31, 2023, primarily due to the decrease in the Joint Purpose Fund.

Other assets decreased \$1.5 million from October 31, 2023.

Deferred Outflows of Resources

Deferred outflows of resources at October 31, 2025, 2024 and 2023 were as follows:

	October 31			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Deferred Outflows of Resources:					
Deferred pension outflows	\$ 3,919,866	4,888,083	5,395,721	(968,217)	(507,638)
Deferred OPEB outflows	10,328,097	4,413,919	5,103,371	5,914,178	(689,452)
Total deferred outflows of resources	\$ 14,247,963	9,302,002	10,499,092	4,945,961	(1,197,090)

2025 vs. 2024

The \$3.9 million at October 31, 2025 represents the Authority's portion of the deferred pension outflows from the New York State pension plan (see note 17).

The \$10.3 million at October 31, 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).

2024 vs. 2023

The \$4.9 million at October 31, 2024 represents the Authority's portion of the deferred pension outflows from the New York State pension plan.

The \$4.4 million at October 31, 2024 represents the Authority's deferred OPEB outflows resulting from GASB 75.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Liabilities

Total liabilities at October 31, 2025, 2024 and 2023 were as follows:

	October 31			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Current liabilities:					
Accrued interest on bonds	\$ 23,180,614	23,941,260	5,846,643	(760,646)	18,094,617
Accounts payable and other liabilities	25,623,948	24,870,222	22,009,219	753,726	2,861,003
Accrued pension payable	5,660,518	4,739,793	6,865,272	920,725	(2,125,479)
Lease liability and accrued interest payable	1,272,921	1,438,386	1,448,444	(165,465)	(10,058)
Due to the City of New York	186,464,259	182,523,150	174,365,410	3,941,109	8,157,740
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	53,766,946	46,021,567	-	7,745,379	46,021,567
Due to the Port Authority of NY & NJ	-	869,381	869,381	(869,381)	-
Unearned revenue	51,974,077	52,468,650	53,808,919	(494,573)	(1,340,269)
Security and other deposits	4,738	4,738	4,738	-	-
2023 Revenue Bonds	34,515,000	28,880,000	2,780,000	5,635,000	26,100,000
2023 Revolver Payable	41,300,000	-	-	41,300,000	-
2025 Revolver Payable	275,100	-	-	275,100	-
Total current liabilities	429,038,121	370,757,147	272,998,026	58,280,974	97,759,121
Noncurrent liabilities:					
Unearned revenue	17,420,777	19,803,829	20,995,843	(2,383,052)	(1,192,014)
Security and other deposits	33,909,907	32,482,062	30,827,469	1,427,845	1,654,593
Lease liability	6,645,887	7,899,178	9,312,227	(1,253,291)	(1,413,049)
OPEB	46,186,999	37,690,999	37,379,000	8,496,000	311,999
Bonds outstanding:					
2019 Revenue Bonds	380,422,957	382,940,230	385,457,502	(2,517,273)	(2,517,272)
2023 Revenue Bonds	745,252,521	782,585,468	814,283,416	(37,332,947)	(31,697,948)
Total noncurrent liabilities	1,229,839,048	1,263,401,766	1,298,255,457	(33,562,718)	(34,853,691)
Total liabilities	\$ 1,658,877,169	1,634,158,913	1,571,253,483	24,718,256	62,905,430

2025 vs. 2024

The Organization's total liabilities increased \$24.7 million from \$1.63 billion at October 31, 2024 to \$1.66 billion at October 31, 2025.

The \$24.7 million increase in total liabilities is due primarily to :

- the liability due to the City includes a \$186.5 million provision recorded as of October 31, 2025, representing the fiscal 2025 PILOT-related excess revenues. The \$186.5 million due to the City was \$3.9 million higher compared to the amount due at October 31, 2024.
- a provision of \$5.0 million from the Joint Purpose Fund was recorded for the planned payment to the State of New York to be used for affordable housing at the 5 World Trade Center development site, pursuant to an amendment to the Settlement Agreement executed on October 12, 2023. The funds have not been requested by the State.
- a provision of \$53.8 million from the Joint Purpose Fund was recorded for the planned payment to the City of New York. The \$53.8 million due to the City was \$7.7 million higher compared to the amount due at October 31, 2024.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

- the Organization had a \$46.2 million OPEB liability at October 31, 2025, an increase of \$8.5 million from \$37.7 million at October 31, 2024 (see note 18).
- a \$2.5 million decrease in 2019 Revenue Bonds outstanding, resulting from the amortization of the net bond premium at October 31, 2025 (see note 16).
- a \$31.7 million decrease in 2023 Series A, B and C Revenue Bonds outstanding, resulting from a principal bond payment of \$28.9 million and amortization of the net bond premium of \$2.8 million at October 31, 2025 (see note 16).
- a \$41.6 million increase in the revolver payable, represents the borrowing vehicles that the Authority entered into during March 2023 and June 2025.

2024 vs. 2023

The Organization's total liabilities increased \$62.9 million from \$1.57 billion at October 31, 2023 to \$1.63 billion at October 31, 2024.

The \$62.9 million increase in total liabilities is due primarily to:

- a \$18.1 million increase in accrued interest payable on bonds from \$5.8 million at October 31, 2023 to \$23.9 million at October 31, 2024 due to higher interest rates.
- a \$2.9 million increase in accounts payable and other liabilities from \$22.0 million at October 31, 2023 to \$24.9 million at October 31, 2024.
- a \$2.1 million decrease in accrued pension payable relates to the Authority's liability portion of the New York State pension plan.
- the liability due to the City includes a \$182.5 million provision recorded as of October 31, 2024, representing the fiscal 2024 PILOT-related excess revenues. The \$182.5 million due to the City was \$8.2 million higher compared to the amount due at October 31, 2023.
- a provision of \$5.0 million from the Joint Purpose Fund was recorded for the planned payment to the State of New York to be used for affordable housing at the 5 World Trade Center development site, pursuant to an amendment to the Settlement Agreement executed on October 12, 2023. The funds have not been requested by the State.
- a provision of \$46.0 million from the Joint Purpose Fund was recorded for the planned payment to the City of New York. The Settlement Agreement was amended to distribute the accumulated earnings in the 7aai funds held in the Authority's Joint Purpose Fund on July 15, 2024.
- a \$2.5 million decrease in 2019 Revenue Bonds outstanding, resulting from the amortization of the net bond premium at October 31, 2024.
- a \$5.6 million decrease in 2023 Series A, B and C Revenue Bonds outstanding, resulting from a principal bond payment of \$2.8 million and amortization of the net bond premium of \$2.8 million at October 31, 2024.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Deferred Inflows of Resources

	October 31			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Deferred Inflows of Resources:					
Deferred lease inflows	\$ 1,740,851,205	1,750,518,313	1,794,503,742	(9,667,108)	(43,985,429)
Deferred pension inflows	374,475	2,821,569	704,638	(2,447,094)	2,116,931
Deferred OPEB inflows	13,863,352	15,979,753	17,074,082	(2,116,401)	(1,094,329)
Unamortized gain on extinguishment of bonds	7,271,075	9,718,847	12,166,619	(2,447,772)	(2,447,772)
Total deferred inflows of resources	<u>\$ 1,762,360,107</u>	<u>1,779,038,482</u>	<u>1,824,449,081</u>	<u>(16,678,375)</u>	<u>(45,410,599)</u>

2025 vs. 2024

Deferred lease inflows of \$1.74 billion at October 31, 2025 represents the Authority's deferred lease inflows resulting from GASB 87 (see note 7). The \$9.7 million change reflects the recognition of revenue over the fiscal year ended October 31, 2025.

Deferred pension inflows of \$374 thousand at October 31, 2025 represents the Authority's portion of the deferred pension inflows from the New York State pension plan (see note 17).

Deferred OPEB inflows of \$13.9 million at October 31, 2025 represents the Authority's deferred OPEB outflows resulting from GASB 75 (see note 18).

The unamortized gain on extinguishment of bonds decreased by \$2.4 million from October 31, 2024 to October 31, 2025 due to the current year amortization.

2024 vs. 2023

Deferred lease inflows of \$1.75 billion at October 31, 2024 represents the Authority's deferred lease inflows resulting from GASB 87. The \$44.0 million change reflects the recognition of revenue over the fiscal year ended October 31, 2024.

Deferred pension inflows of \$2.8 million at October 31, 2024 represents the Authority's portion of the deferred pension inflows from the New York State pension plan.

Deferred OPEB inflows of \$16.0 million at October 31, 2024 represents the Authority's deferred OPEB outflows resulting from GASB 75.

The unamortized gain on extinguishment of bonds decreased by \$2.4 million from October 31, 2023 to October 31, 2024 due to the current year amortization.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Net Position (Deficit)

	October 31			2025 vs	2024 vs
	2025	2024	2023	2024	2023
Net Position (deficit):					
Net investment in capital assets	\$ 333,875,312	270,349,027	254,757,195	63,526,285	15,591,832
Restricted	128,418,986	86,996,641	186,400,001	41,422,345	(99,403,360)
Unrestricted	(466,811,826)	(480,269,925)	(536,559,906)	13,458,099	56,289,981
Total net position (deficit) \$	<u>(4,517,528)</u>	<u>(122,924,257)</u>	<u>(95,402,710)</u>	<u>118,406,729</u>	<u>(27,521,547)</u>

2025 vs. 2024

The change in total net position (deficit) from October 31, 2025 represents a positive change in the deficit position of \$118.4 million from (\$122.9) million at October 31, 2024 to (\$4.5) million at October 31, 2025.

Net investment in capital assets was a surplus of \$333.9 million and \$270.3 million at October 31, 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 \$128.4 million of restricted net position at October 31, 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 \$466.8 million at October 31, 2025 resulting in part from the cumulative net excess revenues, which are transferred to the City annually (see note 13).

2024 vs. 2023

The change in total net position (deficit) from October 31, 2024 represents a negative change in the deficit position of \$27.5 million from (\$95.4) million at October 31, 2023 to (\$122.9) million at October 31, 2024.

Net investment in capital assets was a surplus of \$270.3 million and \$254.8 million at October 31, 2024 and 2023, respectively. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities. The Organization's \$87.0 million of restricted net position at October 31, 2024 represents resources that are subject to various external restrictions. These assets are generally restricted under bond resolutions and other agreements.

The remaining balance is classified as an unrestricted deficit totaling \$480.3 million at October 31, 2024 resulting in part from the cumulative net excess revenues, which are transferred to the City annually.

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

Below is a summary of the Organization's revenues, expenses, and changes in net position (deficit) for the fiscal years ended October 31, 2025, 2024 and 2023:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

		October 31		2025 vs	2024 vs
	2025	2024	2023	2024	2023
Operating revenues:					
Revenues from ground leases:					
Base rent	\$ 47,887,296	47,654,020	45,788,267	233,276	1,865,753
Payments in lieu of real estate taxes	308,322,249	300,594,236	288,157,667	7,728,013	12,436,569
Lease interest and other revenue	88,648,674	77,652,170	81,881,761	10,996,504	(4,229,591)
Total operating revenues	444,858,219	425,900,426	415,827,695	18,957,793	10,072,731
Operating expenses:					
Wages and related benefits	22,721,152	22,131,920	21,022,600	589,232	1,109,320
OPEB	1,980,851	1,319,052	1,887,835	661,799	(568,783)
Other operating and administrative expenses	31,636,365	36,995,644	36,518,089	(5,359,279)	477,555
Depreciation and amortization	11,746,788	11,621,945	11,563,732	124,843	58,213
Total operating expenses	68,085,156	72,068,561	70,992,256	(3,983,405)	1,076,305
Operating income	376,773,063	353,831,865	344,835,439	22,941,198	8,996,426
Nonoperating revenues (expenses):					
Investment and other income (loss)	29,824,011	46,518,737	27,276,545	(16,694,726)	19,242,192
Interest expense, net	(41,922,139)	(53,718,179)	(44,877,301)	11,796,040	(8,840,878)
Lease amortization and interest expense	(1,414,645)	(1,457,227)	(1,457,227)	42,582	-
Loss on lease modification	-	-	(1,037,594)	-	1,037,594
Bond issuance costs	(253,000)	-	(7,914,414)	(253,000)	7,914,414
Provision for transfer to:					
the City of New York	(186,460,963)	(182,519,854)	(174,362,115)	(3,941,109)	(8,157,739)
the State of New York	-	-	(5,000,000)	-	5,000,000
the City of New York - 2024 Agreement	(53,766,946)	(186,421,567)	-	132,654,621	(186,421,567)
Provision for transfer to NYC					
Pier A and Pier A Plaza	(4,372,652)	(3,755,322)	(165,172)	(617,330)	(3,590,150)
Total nonoperating expenses, net	(258,366,334)	(381,353,412)	(207,537,278)	122,987,078	(173,816,134)
Change in net position (deficit)	118,406,729	(27,521,547)	137,298,161	145,928,276	(164,819,708)
Net deficit, beginning of year	(122,924,257)	(95,402,710)	(232,700,871)	(27,521,547)	137,298,161
Net deficit, end of year	\$ (4,517,528)	(122,924,257)	(95,402,710)	118,406,729	(27,521,547)

Operating Revenues

2025 vs. 2024

Overall operating revenues for the year ended October 31, 2025 totaled \$444.9 million, \$19.0 million higher than the year ended October 31, 2024 of \$425.9 million. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent increased \$233 thousand to \$47.9 million for the year ended October 31, 2025. PILOT revenue totaling \$308.3 million (69% of the total operating revenues for the fiscal year ended October 31, 2025), increased by \$7.7 million over the fiscal year ended October 31, 2024, primarily due to increases in assessments that are established by the City.

The change in lease interest and other revenue is an \$11.0 million increase from \$77.7 million for the year ended October 31, 2024 to \$88.6 million for the year ended October 31, 2025. The increase was due largely to the \$9.0 million recovery of previously written-off amounts related to the Wagner Hotel bankruptcy and the receipt of transaction payments of \$2.0 million.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

2024 vs. 2023

Overall operating revenues for the year ended October 31, 2024 totaled \$425.9 million, \$10.1 million higher than the year ended October 31, 2023 of \$415.8 million. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent increased \$1.9 million to \$47.7 million for the year ended October 31, 2024. PILOT revenue totaling \$300.6 million (71% of the total operating revenues for the fiscal year ended October 31, 2024), increased by \$12.4 million over the fiscal year ended October 31, 2023, primarily due to increases in assessments that are established by the City.

The change in lease interest and other revenue is a \$4.2 million decrease from \$81.9 million for the year ended October 31, 2023 to \$77.7 million for the year ended October 31, 2024. The decrease relates to a one-time transaction payment of \$2.3 million that was received in fiscal year 2023. In addition, there was \$1.5 million less in other revenue in fiscal year 2024 compared to the prior fiscal year.

Operating Expenses

2025 vs. 2024

Operating expenses totaled \$68.1 million for the fiscal year ended October 31, 2025, representing a \$4.0 million decrease compared to the fiscal year ended October 31, 2024. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses; and depreciation and amortization.

Wages and related benefits totaling \$22.7 million were \$589 thousand over the previous fiscal year ended October 31, 2024.

OPEB expenses for the Organization increased for the fiscal year ended October 31, 2025 by \$662 thousand compared to the prior year (see note 18).

Other operating and administrative expenses of \$31.6 million decreased by \$5.4 million for the year ended October 31, 2025, due to a decrease in professional and consultant fees and a one-time settlement payment for the Pier A lease in 2024.

2024 vs. 2023

Operating expenses totaled \$72.1 million for the fiscal year ended October 31, 2024, representing a \$1.1 million increase compared to the fiscal year ended October 31, 2023. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses; and depreciation and amortization.

Wages and related benefits totaling \$22.1 million were \$1.1 million over the previous fiscal year ended October 31, 2023.

OPEB expenses for the Organization decreased for the fiscal year ended October 31, 2024 by \$569 thousand compared to the prior year (see note 18).

Other operating and administrative expenses of \$37.0 million increased by \$478 thousand for the year ended October 31, 2024.

Depreciation and amortization expenses recorded for the fiscal year ended October 31, 2024 of \$11.6 million was \$58 thousand higher than the year ended October 31, 2023.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

Nonoperating Revenues (Expenses)

2025 vs. 2024

Total nonoperating expenses, net, were \$123.0 million lower, due to the 2024 payout of the funds accumulated in the Joint Purpose Fund. A provision for a transfer to the City of \$186.5 million in excess revenues was charged to expense for the year ended October 31, 2025, an increase of \$3.9 million from the year ended October 31, 2024 (see note 13). Investment and other income (loss) decreased year over year by \$16.7 million primarily due to the lower realized and unrealized gains in the portfolio during the year ended October 31, 2025, due to lower Treasury rates. Additionally, there was a \$11.8 million decrease in net interest payments from \$53.7 million for the year ended October 31, 2024 compared to \$41.9 million for the year ended October 31, 2025, largely driven by the decrease of variable interest rates (see note 10).

2024 vs. 2023

Total nonoperating expenses, net, were \$173.8 million higher for the year ended October 31, 2024 than the year ended October 31, 2023. A provision for a transfer to the City of \$368.9 million in excess revenues was charged to expense for the year ended October 31, 2024, an increase of \$194.6 million from the year ended October 31, 2023. The \$368.9 million is comprised of a provision of \$228.5 million recorded for the fiscal year 2024 excess revenues to be transferred to the City and \$140.4 million resulting from the execution of the 2024 Settlement Agreement. Investment and other income (loss) increased year over year by \$19.2 million primarily due to the realized and unrealized gains in the portfolio during the year ended October 31, 2024, due to elevated Treasury rates. Additionally, there was a \$8.8 million increase in net interest payments from \$44.9 million for the year ended October 31, 2023 compared to \$53.7 million for the year ended October 31, 2024, largely driven by the rise of variable interest rates.

Change in Net Position (Deficit)

The total net deficits at October 31, 2025 and 2024 were \$4.5 million and \$122.9 million, respectively.

The total net deficits at October 31, 2024 and 2023 were \$122.9 million and \$95.4 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). As of October 31, 2025, there were no outstanding 2013 Revenue Bonds, with the final 2013 Series A bonds having been refunded on 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").

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Management's Discussion and Analysis

October 31, 2025 and 2024 (Unaudited)

On that date, the Authority also issued \$300,000,000 of variable-rate Junior Revenue Bonds, Series 2019D (Adjustable Rate Bonds) (the "2019 Series D Bonds"), composed of \$150,000,000 of Subseries 2019D-1 and \$150,000,000 of Subseries 2019D-2 and sold \$150,000,000 of variable-rate Junior Revenue Bonds, Series 2019E (the "2019 Series E Bonds") to a bank (see notes 11 and 16). The 2019 Series D bonds were partially refunded and the 2019 Series E Bonds were fully refunded August 3, 2023. At October 31, 2025, outstanding bonds and ratings were as follows:

	Outstanding debt	Fitch *	Moody's *
2019 Senior Revenue A Bonds	\$ 72,765,000	AAA	Aaa
2019 Senior Revenue B Bonds	146,510,000	AAA	Aaa
2019 Senior Revenue C Bonds	3,570,000	AAA	Aaa
2019 Junior Revenue D Bonds	118,515,000	AA+	Aa1

* Source: Fitch - rating as of November 21, 2025, Moody's - rating as of November 24, 2025

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 October 31, 2025, outstanding 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 November 21, 2025, Moody's - rating as of November 24, 2025

As of October 31, 2025, the Authority had Junior Notes (the Revolver Payables) amount of \$41.6 million.

On December 8, 2025, the Authority issued \$657,835,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2025 (Sustainability Bonds). Proceeds of the Series 2025 Bonds were issued for the following purposes:

- To fund all or a portion of resiliency and other projects that comprise part of the Authority's Sustainability Program.
- Refund all of the Authority's outstanding 2023 Junior Notes and 2025 Junior Notes.
- Pay costs of issuance of the Series 2025 Senior Bonds.

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

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Statements of Net Position (Deficit)

October 31, 2025 and 2024

Assets	2025	2024
Current assets:		
Bank deposits	\$ 599,398	30,406
Investments (notes 3(e) and 3(j))	20,509,652	17,934,354
Restricted assets:		
Lease receivable (notes 7 and 14(b))	5,783,461	5,271,532
Accrued interest receivable	46,394,042	38,446,921
Rents and other receivables (net of allowance for doubtful accounts of \$4,852,011 in 2025 and \$26,207,453 in 2024) (note 14(a))	26,596,036	9,001,299
2003 General Bond Resolution Funds (notes 3(e), 3(j), 8, and 9)	358,403,421	341,449,032
2013 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 10)	2,300,000	4,500,000
2019 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 11)	9,675,000	17,815,400
2023 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 12)	80,597,000	159,686,703
2023 Revolver Funds (notes 3e, 3(j), 8)	7,320,777	—
2025 Revolver Funds (notes 3e, 3(j), 8)	22,179	—
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(j) and 18)	6,675,867	2,273,013
Total current assets	564,876,833	596,408,660
Noncurrent assets:		
Restricted assets:		
Lease receivable (notes 7 and 14(b))	1,739,195,404	1,710,569,365
2013 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 10)	2,423,052	2,188,281
2019 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 11)	11,494,209	5,216,906
2023 Revenue Bond Resolution Funds (notes 3(e), 3(j), 8, 9, and 12)	30,948,303	82,400,816
Residential lease required funds (notes 3(e) and 3(j))	33,654,032	32,261,187
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(j) and 18)	107,631,874	100,447,546
Battery Park City project assets – at cost, less accumulated depreciation (notes 2, 3(c), and 4)	897,756,002	736,269,019
Other assets	14,492,076	15,209,356
Total noncurrent assets	2,837,594,952	2,684,562,476
Total assets	3,402,471,785	3,280,971,136
Deferred Outflows of Resources		
Deferred pension outflows (note 17)	3,919,866	4,888,083
Deferred OPEB outflows (note 18)	10,328,097	4,413,919
Total deferred outflows of resources	14,247,963	9,302,002
Total assets and deferred outflows of resources	\$ 3,416,719,748	3,290,273,138

The accompanying notes are an integral part of these financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Statements of Net Position (Deficit)

October 31, 2025 and 2024

Liabilities	2025	2024
Current liabilities:		
Accrued interest on bonds	\$ 23,180,614	23,941,260
Accounts payable and other liabilities (note 15)	25,623,948	24,870,222
Accrued pension payable (note 17)	5,660,518	4,739,793
Lease liability (note 7)	1,251,695	1,413,049
Accrued interest payable	21,226	25,337
Due to the City of New York (note 13)	186,464,259	182,523,150
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)	53,766,946	46,021,567
Due to the Port Authority of New York & New Jersey (note 19(b))	—	869,381
Unearned revenue (note 3(d)):		
PILOT revenue	49,170,116	47,915,708
Base rent and other revenue	2,803,961	4,552,942
Security and other deposits	4,738	4,738
2023 Revenue Bonds (notes 8, 9, and 12)	34,515,000	28,880,000
2023 Revolver Payable (note 8)	41,300,000	—
2025 Revolver Payable (note 8)	275,100	—
Total current liabilities	<u>429,038,121</u>	<u>370,757,147</u>
Noncurrent liabilities:		
Unearned revenue (note 3(d)):		
Base rent and other revenue	17,420,777	19,803,829
Security and other deposits	33,909,907	32,482,062
Lease liability (note 7)	6,645,887	7,899,178
OPEB (note 18)	46,186,999	37,690,999
Bonds outstanding (notes 8, 9, 10, 11, 12, and 16):		
2019 Revenue Bonds, less accumulated amortization of \$15,706,222 in 2025 and \$13,188,950 in 2024	380,422,957	382,940,230
2023 Revenue Bonds, less accumulated amortization of \$6,334,113 in 2025 and \$3,516,165 in 2024	<u>745,252,521</u>	<u>782,585,468</u>
Total noncurrent liabilities	<u>1,229,839,048</u>	<u>1,263,401,766</u>
Total liabilities	<u>1,658,877,169</u>	<u>1,634,158,913</u>
Deferred Inflows of Resources		
Deferred lease inflows (note 7)	1,740,851,205	1,750,518,313
Deferred pension inflows (note 17)	374,475	2,821,569
Deferred OPEB inflows (note 18)	13,863,352	15,979,753
Unamortized gain on extinguishment of bonds	<u>7,271,075</u>	<u>9,718,847</u>
Total deferred inflows of resources	<u>1,762,360,107</u>	<u>1,779,038,482</u>
Net Position (Deficit)		
Net investment in capital assets	333,875,312	270,349,027
Restricted:		
Debt service	60,620,933	78,890,791
Under bond resolutions and other agreements	67,798,053	8,105,850
Unrestricted (deficit)	<u>(466,811,826)</u>	<u>(480,269,925)</u>
Total net position (deficit)	<u>(4,517,528)</u>	<u>(122,924,257)</u>
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 3,416,719,748</u>	<u>3,290,273,138</u>

The accompanying notes are an integral part of these financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

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

Years Ended October 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Revenues from ground leases (notes 5, 6, and 7):		
Base rent	\$ 47,887,296	47,654,020
Payments in lieu of real estate taxes (note 13)	308,322,249	300,594,236
Lease interest and other revenue	<u>88,648,674</u>	<u>77,652,170</u>
Total operating revenues	<u>444,858,219</u>	<u>425,900,426</u>
Operating expenses:		
Wages and related benefits	22,721,152	22,131,920
OPEB (note 18)	1,980,851	1,319,052
Other operating and administrative expenses	31,636,365	36,995,644
Depreciation of project assets	10,966,317	10,934,960
Other depreciation and amortization	<u>780,471</u>	<u>686,985</u>
Total operating expenses	<u>68,085,156</u>	<u>72,068,561</u>
Operating income	<u>376,773,063</u>	<u>353,831,865</u>
Nonoperating revenues (expenses):		
Investment income on funds relating to:		
2003 Revenue Bonds (note 8)	896,632	607,724
Corporate-designated, escrowed, and OPEB funds	1,608,725	1,341,080
Realized and unrealized gains	27,318,654	44,569,933
Interest (expense) income relating to:		
2019 Revenue Bonds (note 11)	(11,753,726)	(13,525,208)
2023 Revenue Bonds (note 12)	(32,206,893)	(42,565,498)
2023 Revolver	(409,292)	(75,245)
Gain on extinguishment from debt	2,447,772	2,447,772
Bond issuance costs	(253,000)	—
Lease amortization and interest expense	(1,414,645)	(1,457,227)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts (note 13)	(186,460,963)	(182,519,854)
Provision for transfer to the City of New York per 2024 agreement (note 13)	(53,766,946)	(186,421,567)
Provision for transfer to the City of New York - Pier A and Pier A Plaza	<u>(4,372,652)</u>	<u>(3,755,322)</u>
Total nonoperating expenses, net	<u>(258,366,334)</u>	<u>(381,353,412)</u>
Change in net position (deficit)	118,406,729	(27,521,547)
Net deficit, beginning of year	<u>(122,924,257)</u>	<u>(95,402,710)</u>
Net deficit, end of year	\$ <u><u>(4,517,528)</u></u>	<u><u>(122,924,257)</u></u>

The accompanying notes are an integral part of these financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Statements of Cash Flows

Years Ended October 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from:		
Tenant payments	\$ 376,691,971	370,892,099
Miscellaneous receipts	1,671,072	307,976
Total cash receipts from operating activities	<u>378,363,043</u>	<u>371,200,075</u>
Cash payments for:		
Salaries and benefits	(24,714,042)	(22,424,614)
Services and supplies	(32,607,483)	(32,394,954)
Total cash payments for operating activities	<u>(57,321,525)</u>	<u>(54,819,568)</u>
Net cash provided by operating activities	<u>321,041,518</u>	<u>316,380,507</u>
Cash flows from noncapital financing activities:		
Payments to the City of New York	(182,519,854)	(174,362,115)
Payments to the City of New York - 2024 Agreement	(46,021,567)	(140,400,000)
Payments to Pier A Contractors	(4,653,955)	(2,209,061)
Payments to The Port Authority of New York & New Jersey	(869,381)	—
Net cash used in noncapital financing activities	<u>(234,064,757)</u>	<u>(316,971,176)</u>
Cash flows from capital and related financing activities:		
Development costs – site improvements and construction	(167,114,608)	(128,093,480)
Capital asset expenditures	(5,917,579)	(2,266,050)
Swap interest payments received on the 2003 Swap agreement	—	6,544
Interest paid on 2019 Senior Revenue Bonds	(10,755,371)	(10,755,371)
Interest paid on 2019 Junior Revenue Bonds	(3,186,585)	(4,088,567)
Remarketing fees for Series 2019D	(171,549)	(61,921)
Bond purchase agreement fees for Series 2019D	(293,266)	(460,272)
Principal paydown on 2023 Senior Revenue Bonds	(28,880,000)	(2,780,000)
Interest paid on 2023 Senior Revenue Bonds	(36,009,286)	(27,183,003)
Revolver fund proceeds	41,832,100	—
Payments for Revolver issuance costs	(502,000)	—
Revolver commitment fees	(146,846)	(150,897)
Payments for bonds issuance costs	(253,000)	(2,985,607)
Interest paid on lease liability	(279,619)	(325,413)
Principal paid on lease liability	(1,507,088)	(1,526,430)
Net cash used in capital and related financing activities	<u>(213,184,697)</u>	<u>(180,670,467)</u>
Cash flows from investing activities:		
Interest and realized gains received on investment securities	31,749,522	46,481,729
Maturities and redemptions of investment securities	908,206,937	775,175,797
Purchases of investment securities	(891,652,884)	(690,327,385)
Net cash provided by investing activities	<u>48,303,575</u>	<u>131,330,141</u>
Decrease in cash and cash equivalents	<u>(77,904,361)</u>	<u>(49,930,995)</u>
Cash and cash equivalents, beginning of year	<u>383,653,409</u>	<u>433,584,404</u>
Cash and cash equivalents, end of year	<u>\$ 305,749,048</u>	<u>383,653,409</u>

The accompanying notes are an integral part of these financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Statements of Cash Flows

Years Ended October 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 376,773,063	353,831,865
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Recovery) provision for bad debt expense	(8,927,386)	5,648,279
Depreciation and amortization	11,746,788	11,621,945
Other	32,512	436,740
Changes in operating assets and liabilities:		
Lease receivable	(29,137,968)	4,999,344
Accrued interest receivables	(7,947,121)	(8,493,627)
Rents and other receivables	(8,265,467)	(2,557,116)
Other assets	(138,910)	(1,305,936)
Accounts payable and other liabilities	958,116	(270,383)
Accrued pension payable	920,725	(2,125,479)
Lease liability	(1,414,645)	(1,419,104)
Unearned revenue	(2,877,625)	(2,532,283)
OPEB	8,496,000	311,999
Changes in deferred resources:		
Deferred lease resources	(9,667,108)	(43,985,429)
Deferred pension resources	(1,478,877)	2,624,569
Deferred OPEB resources	(8,030,579)	(404,877)
Net cash provided by operating activities	\$ <u>321,041,518</u>	<u>316,380,507</u>
Reconciliation to cash and cash equivalents, end of year:		
Bank deposits	\$ 599,398	30,406
Cash and cash equivalents (note 3(e))	66,094,224	67,911,422
Investments with less than 91-day maturities (note 3(e))	<u>239,055,426</u>	<u>315,711,581</u>
Cash and cash equivalents, end of year	\$ <u>305,749,048</u>	<u>383,653,409</u>

The accompanying notes are an integral part of these financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

(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 to fulfill 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. All significant transactions between the Authority and the Conservancy have been eliminated.

(2) Description of Project

The Project consists of approximately 92 acres of landfill created, owned, and operated by the Authority (see note 4). The fully developed Project site includes approximately 36 acres of parks and open spaces and provides for the construction, by private developers, of approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, two museums, five public schools, a public library, four not-for-profit condos owned by the Authority, and approximately 8,300 residential units (see notes 5, 6 and 7). The Authority also owns and controls significant air rights throughout the Project. Ground rents, payments in lieu of real estate taxes (“PILOT”), and other lease payments are received under the ground leases, all expiring in 2069. All sites on the Project have been developed.

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

(3) Summary of Significant Accounting Policies

(a) Financial Reporting

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

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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

(c) Project Assets

Costs incurred by the Authority in developing the Project as of October 31, 2025 and 2024 were capitalized as Project assets and were classified as follows:

	Balance at October 31, 2024	Additions	Deletions	Balance at October 31, 2025
Land	\$ 83,015,653	—	—	83,015,653
Site improvements	506,175,375	—	2,467,027	503,708,348
Residential building and condominiums	147,236,833	539,496	—	147,776,329
Construction in progress	216,761,117	174,380,831	—	391,141,948
Total Project assets	953,188,978	174,920,327	2,467,027	1,125,642,278
Less: accumulated depreciation:				
Site improvements	165,232,651	7,501,726	—	172,734,377
Residential building and condominiums	51,687,308	3,464,591	—	55,151,899
Total accumulated depreciation	216,919,959	10,966,317	—	227,886,276
Net Project assets	\$ 736,269,019	163,954,010	2,467,027	897,756,002

For the years ended October 31, 2025 and 2024, construction in progress (CIP) amounts of \$391,141,948 and \$216,761,1176 respectively, consists primarily of the resiliency projects that are estimated to be completed in several phases by 2030.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

	Balance at October 31, 2023	Additions	Deletions	Balance at October 31, 2024
Land	\$ 83,015,653	—	—	83,015,653
Site improvements	503,795,958	2,379,417	—	506,175,375
Residential building and condominiums	147,170,661	66,172	—	147,236,833
Construction in progress	85,156,043	131,605,074	—	216,761,117
Total Project assets	819,138,315	134,050,663	—	953,188,978
Less: accumulated depreciation:				
Site improvements	157,756,985	7,475,666	—	165,232,651
Residential building and condominiums	48,228,014	3,459,294	—	51,687,308
Total accumulated depreciation	205,984,999	10,934,960	—	216,919,959
Net Project assets	\$ 613,153,316	123,115,703	—	736,269,019

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.

(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;

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

(iii) obligations of any corporation organized under the laws of any state in the United States maturing within 270 days provided that such obligations receive the highest rating of two independent rating services (commercial paper); (iv) municipal bonds issued by the State of New York, its counties, towns and cities and New York authorities; and (v) the general obligations of any state provided that such obligations receive the highest rating by at least one rating agency. The Organization maintains its cash in bank accounts that are fully collateralized or backed by the Federal Deposit Insurance Corporation ("FDIC") or letters of credit. All investments held in funds and accounts established in accordance with bond resolutions are held as trust assets by the trustee banks in the Authority's name.

Total investments held by the Authority at October 31, 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, were as follows:

	October 31, 2025			October 31, 2024		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	\$ 534,094,651	536,979,490	0.15	\$ 588,230,741	592,652,999	0.12
Treasury Bonds	65,796,860	64,620,555	2.71	99,376,142	96,359,487	2.09
Total						
U.S. Treasury securities	599,891,511	601,600,045		687,606,883	689,012,486	
Federal agency mortgage backed securities	391,764	374,732	2.94	585,411	553,319	2.62
Municipal bonds	1,075,000	1,071,860	1.32	2,290,000	2,254,050	1.20
Supra National Agency	2,578,221	2,514,505	0.92	6,634,740	6,441,962	0.90
Total	603,936,496	605,561,142	0.43	697,117,034	698,261,817	0.41
Cash and cash equivalents	66,094,224	66,094,224		67,911,421	67,911,421	
Total						
investments	\$ 670,030,720	671,655,366		\$ 765,028,455	766,173,238	

(a) Portfolio weighted average effective duration

As of October 31, 2025 and 2024, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to \$239,055,426 and \$315,711,581, 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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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 are not classified as net investment in capital assets or that are not restricted. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, consistent with any respective restrictions, and then to use unrestricted resources as they are needed.

(g) Bond Insurance Costs

The bond insurance costs for the 1996 and 2000 bonds that were refunded in 2003 are included in unamortized gain on extinguishment of bonds in deferred inflows of resources and are amortized using the straight-line method over the remaining period to the maturity of the extinguished bonds.

(h) Statements of Cash Flows

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

(i) Other Postemployment Benefits

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

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

(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 and liabilities at October 31, 2025 and 2024 were as follows:

October 31, 2025			
	Level 1	Level 2	Total
Assets at fair value:			
U.S. Treasury Securities:			
Treasury Bills	\$ 536,979,490	—	536,979,490
Treasury Bonds	64,620,555	—	64,620,555
Federal Agency Mortgage Backed Securities	—	374,732	374,732
Municipal Bonds	—	1,071,860	1,071,860
Supra National Bonds	—	2,514,505	2,514,505
Total assets at fair value	\$ 601,600,045	3,961,097	605,561,142

October 31, 2024			
	Level 1	Level 2	Total
Assets at fair value:			
U.S. Treasury Securities:			
Treasury Bills	\$ 592,652,999	—	592,652,999
Treasury Bonds	96,359,487	—	96,359,487
Federal Agency Mortgage Backed Securities	—	553,319	553,319
Municipal Bonds	—	2,254,050	2,254,050
Supra National Bonds	—	6,441,962	6,441,962
Total assets at fair value	\$ 689,012,486	9,249,331	698,261,817

(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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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

The 421a tax abatements for the years ended October 31, 2025 and 2024 were \$1.5 million and \$4.2 million, respectively.

The 467a tax abatements for the years ended October 31, 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 October 31, 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. 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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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 their evaluation of GASB 103 and determined there will be 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.

GASB Statement No. 105, *Subsequent Events*, (“GASB 105”) is effective for fiscal years beginning after June 15, 2026. The GASB 105 requirements will improve financial reporting related to subsequent events by clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and specifying the information items that are required to be disclosed about subsequent events. Those improvements will assist preparers and auditors in applying the requirements more consistently, thereby reducing diversity in practice and providing information that better meets the needs of financial statement users. The Authority has not completed their evaluation of GASB 105 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 October 31, 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.

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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

As of October 31, 2025, all commercial development leases expire in 2069 and provide for future base rent payments aggregating based upon GASB 87, \$926.8 million over the lease terms, which includes base rent of \$20.9 million per annum from 2026 through 2069 payable by the commercial development leases (see note 7).

(6) Residential and Other Development

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

PILOT is required to be paid to the Authority during the term of these leases based on assessments and tax rates set by the New York City Department of Finance ("NYCDOF"). Certain leases provide for an abatement equivalent to the real estate tax 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 conversion to a cooperative or condominium form of ownership.

(7) Leases

Lessor lease agreements are categorized and summarized as follows:

For the years ended October 31, 2025 and 2024, the Authority received \$47,887,296 and \$47,654,020, respectively, in base rent and \$57,446,259 and \$57,179,165, respectively, in lease interest revenues from all its properties. Future base rent payments due to the Authority are as follows for the years ending October 31st:

Year Ended	Principal				Interest			
	Commercial	Residential	Hotel & Other	Total	Commercial	Residential	Hotel & Other	Total
2026	\$ 4,805,090	978,371	—	5,783,461	16,054,804	41,447,136	718,246	58,220,186
2027	5,391,331	933,447	200,393	6,525,171	15,883,657	41,634,309	714,433	58,232,399
2028	5,526,064	749,794	291,545	6,567,403	15,748,562	41,880,765	707,732	58,337,059
2029	5,753,199	814,759	302,438	6,870,396	15,520,818	41,831,565	696,812	58,049,195
2030	5,943,894	551,634	311,691	6,807,219	15,329,611	41,853,991	687,536	57,871,138
2031-2035	32,762,491	7,108,381	1,705,421	41,576,293	73,596,869	208,310,085	3,290,350	285,197,304
2036-2040	38,528,987	25,192,255	1,981,213	65,702,455	67,814,898	203,069,829	3,013,874	273,898,601
2041-2045	45,398,869	86,681,901	2,305,483	134,386,253	60,926,580	190,597,078	2,688,800	254,212,458
2046-2050	53,441,124	124,632,260	2,680,540	180,753,924	52,862,744	171,609,406	2,312,813	226,784,963
2051-2055	62,908,329	166,582,775	3,116,623	232,607,727	43,370,133	147,196,998	1,875,649	192,442,780
2056-2060	74,037,448	242,774,469	3,623,010	320,434,927	32,211,148	113,411,876	1,368,006	146,991,030
2061-2065	87,178,086	302,070,283	4,213,464	393,461,833	19,035,246	68,752,257	776,087	88,563,590
2066-2069	72,473,080	268,012,309	3,016,414	343,501,803	4,267,532	15,965,683	142,772	20,375,987
Total	\$ 494,147,992	1,227,082,638	23,748,235	1,744,978,865	432,622,602	1,327,560,978	18,993,110	1,779,176,690

A sublessee to a ground lease, that sublessee having independent obligations to pay rent to the Authority under the ground lease, declared bankruptcy pursuant to Chapter 11 of the United States Bankruptcy Code in 2022, whereby, future rental payments from such sublessees were uncertain. U.S. Bankruptcy Court approved a plan of liquidation and a conditional sale of the debtor's interests in a condominium property. Following completion of all remaining conditions related to the sale, the purchase of the property was executed. On August 27, 2025, the debtors' interests in the hotel were sold and assigned to the successful bankruptcy auction bidder, and the Ground Lease and Hotel Unit Lease and Sublease were amended. The hotel is anticipated to reopen in 2028.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

Lessee lease agreements are summarized as follows:

Start Dates	Terms	Interest Rate	Balance 10/31/2025	Balance 10/31/2024
11/1/2020 to 1/1/2022	13 - 120 months	3.265%	\$ 7,897,582	\$ 9,312,227

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 recalculated per lease upon completion of its respective lease amendment.

The initial lease periods ranged from 13 to 120 months with escalation payments that occur throughout the term of the lease.

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

Year Ending	Principal	Interest
2026	\$ 1,251,695	219,771
2027	1,001,257	225,599
2028	1,472,698	163,110
2029	1,522,059	113,749
2030	1,572,588	63,220
2031-2032	1,077,285	13,254
	<u>\$ 7,897,582</u>	<u>798,703</u>

(8) 2003 General Bond Resolution Funds and 2013, 2019, 2023, 2025 Revenue Bond Resolution Funds and Revolver Funds

The current and noncurrent balance in the funds and accounts established in accordance with the Authority's 2003 General Bond Resolution Funds and held by the trustee were as follows at October 31, 2025 and 2024:

	2003 General Bond Resolution Funds			
	General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
October 31, 2025				
Project Operating Fund	\$ 16,389,494	—	—	16,389,494
Debt Service Funds	—	108,874,808	9,284,582	118,159,390
Residual Fund	2,756,794	—	—	2,756,794
Pledged Revenue Fund	221,097,743	—	—	221,097,743
Totals	<u>\$ 240,244,031</u>	<u>108,874,808</u>	<u>9,284,582</u>	<u>358,403,421</u>

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

2003 General Bond Resolution Funds				
October 31, 2024	General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
Project Operating Fund	\$ 14,754,995	—	—	14,754,995
Debt Service Funds	—	91,760,070	13,851,923	105,611,993
Residual Fund	2,761,920	—	—	2,761,920
Pledged Revenue Fund	218,320,124	—	—	218,320,124
Totals	\$ 235,837,039	91,760,070	13,851,923	341,449,032

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 October 31, 2025, there are no outstanding 2013 Series Revenue Bonds. The remaining proceeds were held by the trustee as follows at October 31, 2025 and 2024:

October 31, 2025	2013A Senior Revenue Bonds
Project Costs Fund	\$ 4,723,052

October 31, 2024	2013A Senior Revenue Bonds
Project Costs Fund	\$ 6,688,281

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 the trustee as follows at October 31, 2025 and 2024:

2019 Revenue Bonds			
October 31, 2025	2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	Total 2019 Bonds
Project Cost Funds	\$ 15,004,051	6,165,158	21,169,209
Totals	\$ 15,004,051	6,165,158	21,169,209

2019 Revenue Bonds				
October 31, 2024	2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	2019C Senior Revenue Bonds	Total 2019 Bonds
Cost of Issuance	—	—	—	—
Project Cost Funds	\$ 15,162,744	6,267,443	1,602,119	23,032,306
Totals	\$ 15,162,744	6,267,443	1,602,119	23,032,306

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 the trustee as follows at October 31, 2025 and 2024:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

		2023 Revenue Bonds			
		2023A	2023B	2023C	Total
		Senior Revenue	Senior Revenue	Senior Revenue	2023
		Bonds	Bonds	Bonds	Bonds
October 31, 2025					
Project Cost Funds	\$	93,647,820	11,321,178	6,576,305	111,545,303
Totals	\$	93,647,820	11,321,178	6,576,305	111,545,303

		2023 Revenue Bonds			
		2023A	2023B	2023C	Total
		Senior Revenue	Senior Revenue	Senior Revenue	2023
		Bonds	Bonds	Bonds	Bonds
October 31, 2024					
Project Cost Funds	\$	221,561,384	10,866,549	9,659,586	242,087,519
Totals	\$	221,561,384	10,866,549	9,659,586	242,087,519

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 “2023 Junior Notes” or “2023 Revolver”). The 2023 Revolver is a source of liquidity with a commitment expiration date of March 27, 2026. The Authority agrees to pay interest at a rate per annum which shall be the secured overnight financing rate (“SOFR”) in effect from time to time, plus the applicable margin.

As of October 31, 2025, the 2023 Revolver had an outstanding balance of \$41.3 million. The interest expense for the year ended October 31, 2025, amounted to approximately \$262 thousand.

The 2023 Revolver Fund, which includes amounts drawn from the 2023 Revolver but unspent as of October 31, 2025, are as follows:

October 31, 2025	2023 Revolver Funds
Project Cost Funds	\$ 7,320,777

On July 16, 2025, the Authority entered into a revolving line of credit agreement with TD Bank, which provides up to \$225 million to finance capital projects in the Project area (the “2025 Junior Notes” or “2025 Revolver”). The 2025 Revolver is a source of liquidity with a commitment expiration date of March 27, 2026. The Authority agrees to pay interest at a rate per annum which shall be the SOFR in effect from time to time, plus the applicable margin.

As of October 31, 2025, the 2025 Revolver had an outstanding balance of \$275 thousand. The interest expense for the year ended October 31, 2025, amounted to approximately \$716.

The 2025 Revolver Fund, which includes amounts drawn from the 2025 Revolver but unspent as of October 31, 2025, are as follows:

October 31, 2025	2025 Revolver Funds
Project Cost Funds	\$ 22,179

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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 and the 2023 and 2025 Junior Notes (the Revolvers). 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, the 2023 and 2025 Junior Notes (the Revolvers) and on certain additional indebtedness, which may be issued by the Authority and secured by the Authority's revenue.

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

(9) Authority Bonds Authorized

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

- (1) \$300 million outstanding at any one time for the development of the Project;
- (2) another \$150 million for the purpose of financing capital costs in connection with development of the Project area, plus a principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness;
- (3) \$400 million outstanding at any one time for the making of loans to housing companies organized to provide housing within the Project area pursuant to the New York State Private Housing Finance Law, as of October 31, 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;

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

(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 October 31, 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").

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 October 31, 2025, there are no outstanding 2013 Series Revenue Bonds (see Note 12).

The cumulative unamortized gain on redemption or maturity of bonds, including the unamortized bond insurance costs, collectively totaling \$7.3 million at October 31, 2025 and \$9.7 million at October 31, 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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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

- A total of \$3,813,506 of proceeds were allocated to pay for costs of issuance.
- A total of \$99,352,522 of proceeds (comprising \$86,150,000 from the 2019 Series A Bonds, \$9,702,522 from the 2019 Series B Bonds, and \$3,500,000 from the 2019 Series C Bonds) are to be used for certain infrastructure and other capital improvements.
- A total of \$671,425,000 of proceeds of the 2019 Series B Bonds, the 2019 Series D Bonds, and the 2019 Series E Bonds was used to refund the 2009 Series A Bonds (\$56,600,000), 2009 Series B Bonds (\$28,055,000), the 2013 Series C Bonds (\$204,835,000), the 2013 Series D Bonds (\$190,965,000), and the 2013 Series E Bonds (\$190,970,000).

As of October 31, 2025, principal and interest payments due on the fixed-rate Senior Revenue Bonds, 2019 Series A, 2019 Series B and 2019 Series C were as follows:

2019 Series A Senior Revenue Bonds

	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
Year ended October 31:			
2026	—	\$ —	3,346,900
2027	—	—	3,346,900
2028	—	—	3,346,900
2029	—	—	3,346,900
2030	—	—	3,346,900
2031-2035	—	—	16,734,500
2036-2040	—	—	16,734,500
2041-2045	4.00%	29,135,000	14,383,600
2046-2050	5.00%	43,630,000	5,666,750
Totals		\$ <u>72,765,000</u>	<u>70,253,850</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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

2019 Series B Senior Revenue Bonds

	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
Year ended October 31:			
2026	—	\$ —	7,318,150
2027	—	—	7,318,150
2028	—	—	7,318,150
2029	—	395,000	7,308,275
2030	—	415,000	7,288,025
2031-2035	5.00%	25,355,000	34,339,375
2036-2040	5.00%	93,905,000	22,595,375
2041-2042	4.00% - 5.00%	<u>26,440,000</u>	<u>686,725</u>
Totals		\$ <u>146,510,000</u>	<u>94,172,225</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.

2019 Series C Senior Revenue Bonds

	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
Year ended October 31:			
2026	—	\$ —	90,321
2027	—	—	90,321
2028	2.53%	<u>3,570,000</u>	<u>45,161</u>
Totals		\$ <u>3,570,000</u>	<u>225,803</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 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 October 31, 2025, following the partial redemption, the principal and interest payments due on the 2019 Series D variable-rate bonds were as follows:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

		Junior D	
		Principal	Interest
Year ended October 31:			
2026	\$	—	3,359,331
2027		—	3,461,029
2028		—	3,563,568
2029		—	3,661,604
2030		—	3,782,181
2031 – 2035		22,575,000	19,729,610
2036 – 2039		95,940,000	4,616,830
Total	\$	118,515,000	42,174,153

The above schedule reflects interest on one-week SIFMA on October 31, 2025 plus applicable fees.

(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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

As of October 31, 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:

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.

Year ended October 31:	<u>Coupon Rate</u>	<u>Principal amount</u>	<u>Interest</u>
2026	—	\$ —	16,991,000
2027	—	—	16,991,000
2028	—	—	16,991,000
2029	—	—	16,991,000
2030	—	—	16,991,000
2031 – 2035	—	—	84,955,000
2036 – 2040	—	—	84,955,000
2041 – 2045	5.00%	72,205,000	79,759,250
2046 – 2050	5.00%	118,700,000	55,318,000
2051 – 2054	5.00%	148,915,000	19,068,000
Total		<u>\$ 339,820,000</u>	<u>409,010,250</u>

2023 Series B Senior Revenue Bonds:

The 2023 Series B Senior Revenue Bonds maturing on or after November 1, 2038 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.

Year ended October 31:	<u>Coupon Rate</u>	<u>Principal</u>	<u>Interest</u>
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	5.00%	30,835,000	11,134,750
2031 – 2035	5.00%	140,560,000	31,832,250
2036 – 2039	5.00%	51,300,000	6,711,000
Total		<u>\$ 351,840,000</u>	<u>109,797,250</u>

2023 Series C Senior Revenue Bonds:

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

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

	<u>Coupon Rate</u>	<u>Principal</u>	<u>Interest</u>
Year ended October 31:			
2026	—	\$ —	441,840
2027	—	—	441,840
2028	—	—	441,840
2029	4.80%	9,205,000	396,840
Total		<u>\$ 9,205,000</u>	<u>1,722,360</u>

(13) Agreements with the City and State 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 a proportionate part of the aforementioned items, will be retained by the Authority and spent in such manner and for such purposes as the Authority and the City shall jointly determine (the "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 \$186.5 million reflecting PILOT-related receipts has been charged as a nonoperating expense for the year ended October 31, 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 as 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 \$500 million of accumulated and future excess revenues from the Joint Purpose Fund. As of October 31, 2025, the Authority has made payments to HDF totaling \$186.4 million, which includes \$140.4 million of funds accumulated in the Joint Purpose Fund as well as \$46.0 million for the fiscal year 2024 provision. The Authority recorded an additional provision of \$53.8 million for the fiscal year ended October 31, 2025.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

(14) (A) Rents and Other Receivables

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

	<u>2025</u>	<u>2024</u>
Rents receivable	\$ 30,772,959	34,724,931
Interest receivable	591,763	400,491
Miscellaneous receivables	<u>83,325</u>	<u>83,330</u>
Total receivables	31,448,047	35,208,752
Less allowance for doubtful accounts	<u>(4,852,011)</u>	<u>(26,207,453)</u>
Net receivables	<u>\$ 26,596,036</u>	<u>9,001,299</u>

For the year ended October 31, 2025, the Authority has decreased the allowance for doubtful accounts by approximately \$21.4 million. This was primarily due to the collection of rent upon the settlement of the bankruptcy associated with The Wagner Hotel and related lease flows and the write off of receivables due from Pier A.

In July 2025, the Authority was made aware of a cyber incident that affected several ground leases in Battery Park City. A managing agent contracted by nine ground leases misdirected approximately \$18 million in ground rent and PILOT payments due to the Authority to a fraudulent bank account. The Authority's cyber infrastructure was not compromised, and the Authority has otherwise received all payments due from its ground lessees. The Authority is cooperating with the law enforcement investigation and the affected ground lessees and ultimately expects to receive the misdirected funds in full.

(B) Lease Receivable

The Authority is reporting Lease Receivables of \$1,744,978,865 and \$1,715,840,897 at October 31, 2025 and 2024, respectively.

For the years ended October 31, 2025 and 2024, the Authority reported lease revenues of \$47,887,296 and \$47,654,020 and lease interest revenue of \$57,446,259 and \$57,179,165, respectively, related to lease payments received.

These leases are summarized as follows:

10/31/2025

<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Commercial	\$ 494,147,992	13,236,167	16,196,837
Residential	1,227,082,638	34,583,234	40,630,506
Hotel & Other	<u>23,748,235</u>	<u>67,895</u>	<u>618,916</u>
Total	<u>\$ 1,744,978,865</u>	<u>47,887,296</u>	<u>57,446,259</u>

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

10/31/2024

<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Commercial	\$ 498,427,508	13,243,810	16,333,051
Residential	1,199,095,528	34,096,037	40,240,241
Hotel & Other	18,317,861	314,173	605,873
Total	<u>\$ 1,715,840,897</u>	<u>47,654,020</u>	<u>57,179,165</u>

(15) Accounts Payable and Other Liabilities

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

	<u>2025</u>	<u>2024</u>
Amounts due to vendors	\$ 14,615,369	12,572,132
Contract retention costs	9,516,293	10,916,543
Accrued payroll and benefits	1,448,398	1,240,536
Due to developers	37,416	37,416
Accrued bond fees	6,472	103,595
Total	<u>\$ 25,623,948</u>	<u>24,870,222</u>

(16) Long-Term Liabilities

The Organization's bonds and other long-term liabilities as of October 31, 2025 and 2024 were comprised of the following obligations:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

	October 31, 2024	Additions	Deletions	October 31, 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	—	2,517,273	39,062,957	—
Subtotal 2019 Bonds	382,940,230	—	2,517,273	380,422,957	—
<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	—	2,817,947	78,902,521	—
Subtotal 2023 Bonds	811,465,468	—	31,697,947	779,767,521	34,515,000
Total bonds outstanding	1,194,405,698	—	34,215,220	1,160,190,478	34,515,000
<u>Other long-term liabilities:</u>					
OPEB	37,690,999	9,888,957	1,392,957	46,186,999	—
Lease liability	9,312,227	—	1,414,645	7,897,582	1,251,695
Unearned revenue	72,272,479	—	2,877,625	69,394,854	51,974,077
Security and other deposits	32,486,800	1,427,845	—	33,914,645	4,738
Total other long-term liabilities	151,762,505	11,316,802	5,685,227	157,394,080	53,230,510
Total long-term liabilities	\$ 1,346,168,203	11,316,802	39,900,447	1,317,584,558	87,745,510

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

The October 31, 2025 column less the due within one year equals the non-current liabilities total.

The Organization's bonds and other long-term liabilities as of October 31, 2024 and 2023 were comprised of the following obligations:

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

	October 31, 2023	Additions	Deletions	October 31, 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	—	2,517,272	41,580,230	—
Subtotal 2019 Bonds	385,457,502	—	2,517,272	382,940,230	—
<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	—	2,817,948	81,720,468	—
Subtotal 2023 Bonds	817,063,416	—	5,597,948	811,465,468	28,880,000
Total bonds outstanding	1,202,520,918	—	8,115,220	1,194,405,698	28,880,000
<u>Other long-term liabilities:</u>					
OPEB	37,379,000	3,593,427	3,281,428	37,690,999	—
Lease liability	10,731,331	—	1,419,104	9,312,227	1,413,049
Unearned revenue	74,804,762	—	2,532,283	72,272,479	52,468,650
Security and other deposits	30,832,207	1,654,593	—	32,486,800	4,738
Total other long-term liabilities	153,747,300	5,248,020	7,232,815	151,762,505	53,886,437
Total long-term liabilities	\$ 1,356,268,218	5,248,020	15,348,035	1,346,168,203	82,766,437

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

The October 31, 2024 column less the due within one year equals the non-current liabilities total.

(17) Retirement Costs

Plan Descriptions and Benefits Provided

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

The Authority – The Battery Park City Authority participates in the New York State and Local Employees' Retirement System ("ERS"), and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the "System." These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. The

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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

Benefits

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

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

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

Contributions

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

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

<u>Year</u>		<u>ERS</u>
2025	\$	1,446,360
2024		1,122,750
2023		<u>918,577</u>
	\$	<u><u>3,487,687</u></u>

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

At the end of fiscal year 2025, the Authority pre-funded the 2026 required contribution in the amount of \$1,699,649 which has been included in deferred outflows of resources in the accompanying financial statements.

At the end of fiscal year 2024, the Authority pre-funded the 2025 required contribution in the amount of \$1,446,360 which has been included in deferred outflows of resources in the accompanying financial statements.

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

At October 31, 2025 and 2024, the Authority reported liabilities of \$5,660,518 and \$4,739,793, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of the Systems' fiscal year end at March 31, 2025 and 2024, 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 October 31, 2025 and 2024, the Authority's proportion was 0.0330142% and 0.0321908%, respectively.

For the years ended October 31, 2025 and 2024, the Authority recognized pension expense of \$1,141,497 and \$1,945,450, respectively. At October 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

October 31, 2025

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,404,979	66,274
Changes of assumptions	237,391	
Net difference between projected and actual earnings on pension plan investments	444,108	
Changes in proportion and differences between LG contributions and proportionate share of contributions	133,739	308,201
Contributions made subsequent to the measurement date	<u>1,699,649</u>	
Total	<u>\$ 3,919,866</u>	<u>374,475</u>

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

October 31, 2024

	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 the measurement date	1,446,360	
Total	<u>\$ 4,888,083</u>	<u>2,821,569</u>

As of October 31, 2025 and 2024, \$3,919,866 and \$4,888,083 was reported as a deferred outflow of resources, respectively, and \$374,475 and \$2,821,569 was reported as a deferred inflow of resources, respectively, including a deferred outflow of resources amounting to \$1,699,649 and \$1,446,360 as of October 31, 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:	
2026	\$ 2,596,763
2027	1,393,105
2028	(496,299)
2029	51,822
	<u>\$ 3,545,391</u>

Actuarial Assumptions

The total pension liability (asset) at the System's year-end of March 31, 2025 and 2024 was determined by using an actuarial valuation as of April 1, 2024 and 2023, with update procedures used to roll forward the total pension liability (asset) to the System's year-end of March 31, 2025 and 2024.

Significant actuarial assumptions used in the April 1, 2024 and 2023 valuations were as follows:

2024

Interest Rate	5.9%
Salary Scale ERS	4.3%
Decrement tables	April 1, 2015 - March 31, 2020
System's Experience	
Inflation rate	2.9%

2023

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

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

The actuarial assumptions used in the 2024 and 2023 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, 2023 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, 2025 and 2024 are summarized below.

March 31, 2025

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	25.00%	3.54%
International Equity	14.00%	6.57%
Private Equity	15.00%	7.25%
Real Estate	12.00%	4.95%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real Asset	4.00%	5.55%
Fixed Income	22.00%	2.00%
Cash	1.00%	0.25%

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 Asset	3.00%	5.79%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.25%

Discount Rate

The discount rates used to calculate the total pension liability (asset) as of both March 31, 2025 and 2024 were 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

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 October 31, 2025:

October 31, 2025

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's share of the Net Pension Liability (Asset)	\$ 16,382,251	5,660,518	(3,292,137)

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9%) or 1-percentage-point higher (6.9%) than the current rate as of October 31, 2024:

October 31, 2024

	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)

Pension plan fiduciary net position

The components of the current-year net pension liability of the System's plan year-end of March 31, 2025 and 2024 were as follows:

(Dollars in Thousands)			
	2025	2024	
	Employees'	Employees'	
	Retirement System	Retirement System	
Employers' total pension liability	\$ 247,600,239	240,696,851	
Plan net position	(230,454,512)	(225,972,801)	
Employers' net pension liability	\$ 17,145,727	14,724,050	
Ratio of plan net position to the employers' total pension liability	93.08%	93.88%	

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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

(18) Other Postemployment Benefits (OPEB)

a. Plan Description

The Authority is a participating employer in the New York State Health Insurance Program (“NYSHIP”), which is administered by the State as an agent multiple-employer defined benefit plan. Under the plan, the Authority provides certain healthcare benefits for eligible retired employees and their dependents under a single-employer noncontributory healthcare plan. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plan and to establish maximum obligations of the plan members to contribute to the plan. The Authority’s Board is authorized to establish contribution rates for employees and retirees below those set by Civil Service Law. The Authority’s plan states that employees and/or their dependents become eligible for these benefits at 55 years of age when the employee has 10 years of State service.

In calculating the 10-year service requirement, all of the employee’s service need not be with the Authority, but may be a composite of New York State service elsewhere, with a minimum of 3 years with the Authority. Employees with no prior State service must work a minimum of 10 years before they and their dependents are eligible for the retirement medical benefits. Eligible retirees hired on or after November 1, 2001, contribute 10% of the cost of single coverage and 25% of the cost of dependent coverage for health insurance benefits. The Authority covers 100% of the cost of single and dependent coverage for employees hired before November 1, 2001. A vestee is an Authority employee vested as a member of the retirement system administered by the State, has withdrawn from State service after meeting the Authority’s minimum service requirement, but has not met the age requirement for continuing health insurance.

As of October 31, 2025, 205 participants, including 141 employees and 64 retired and/or spouses of retired employees, were eligible to receive these benefits.

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

For the years ended October 31, 2025 and 2024 and in accordance with GASB Statement 75, updated actuarial valuations were completed for the valuations dated November 1, 2024 and November 1, 2022, respectively. This is the date as of which the actuarial valuations were performed. The measurement dates for the actuarial valuations are October 31, 2024 and 2023, accordingly. 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.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

The total annual OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date in accordance with the parameters of GASB 75. As of October 31, 2025 and 2024, \$46,186,999 and \$37,690,699, respectively, was reported for the Authority's total OPEB liability. For the years ended October 31, 2025 and 2024, the Authority recognized OPEB expenses of \$1,980,851 and \$1,319,052, 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 October 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

October 31, 2025

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 2,573,188	1,128,378
Changes of assumptions	11,290,164	7,684,289
Contributions subsequent to measurement date	-	1,515,430
	<u>\$ 13,863,352</u>	<u>10,328,097</u>

October 31, 2024

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 1,802,863	1,431,452
Changes of assumptions	14,176,890	1,570,537
Contributions subsequent to measurement date	-	1,411,930
	<u>\$ 15,979,753</u>	<u>4,413,919</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of October 31, 2025 will be recognized in OPEB expense as follows:

Year ended October 31:

2026	\$ (152,791)
2027	(1,364,150)
2028	(763,558)
2029	(899,792)
2030	(1,320,506)
Thereafter	<u>965,542</u>
	<u>\$ (3,535,255)</u>

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

d. Actuarial Methods and Assumptions

The Authority's total OPEB liabilities were determined by an actuarial valuation as of November 1, 2024 and November 1, 2022:

Significant actuarial assumptions used in the November 1, 2024 and 2022 valuation were as follows:

Inflation Rate	2.30%
Salary Scale	3.30%
Health Cost	Getzen Model Version 2020
Mortality	PUBG-2010 Mortality Tables

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

The annual healthcare cost trend rates vary based on type of health coverage valued; initial trends start at 6.3% to 6.6%, declining approximately 0.5% each year to an ultimate trend rate of 4.1%. The trend rates reflect a general inflation level of 2.3%.

e. Discount Rate

The discount rates used to calculate the total OPEB liability as of October 31, 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 and (2) The actuarial present value of projected benefit payments not included in (1), calculated using the S&P Municipal Bond 20 Year High Grade Index, which is an index rate consisting of 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

f. Sensitivity of the Net OPEB Liability to the Discount Rate Assumption

The following represents the Authority's total OPEB liability estimated as of October 31, 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:

October 31, 2025

	1% Decrease 3.32%	Current Discount 4.32%	1% Increase 5.32%
Total OPEB Liability	\$ 53,584,000	46,186,999	40,195,000

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

The following represents the Authority's total OPEB liability estimated as of October 31, 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:

October 31, 2024

		1% Decrease 4.12%	Current Discount 5.12%	1% Increase 6.12%
Total OPEB Liability	\$	43,242,000	37,690,999	33,148,000

The following represents the Authority's total OPEB liability estimated as of October 31, 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:

October 31, 2025

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$	39,482,000	46,186,999	54,760,000

The following represents the Authority's total OPEB liability estimated as of October 31, 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:

October 31, 2024

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$	32,334,000	37,690,999	44,464,000

g. OPEB Status and Funding Progress

The Authority's OPEB obligation and the funded status of the plan as of October 31, 2025 is as follows:

OPEB Balance at November 1, 2024	\$	37,690,999
Changes for the period:		
Service cost		1,721,252
Interest		1,982,692
Benefit payments		(1,392,957)
Changes in assumptions		6,185,013
Net changes		8,496,000
OPEB Balance at October 31, 2025	\$	46,186,999

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

The discount rate (see Note 18(e) above) decreased from 5.12% to 4.32%.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

The Authority's OPEB obligation and the funded status of the plan as of October 31, 2024 is as follows:

OPEB Balance at November 1, 2023	\$ 37,379,000
Changes for the period:	
Service cost	1,707,341
Interest	1,886,086
Benefit payments	(1,203,986)
Changes in assumptions	(2,077,442)
Net changes	311,999
OPEB Balance at October 31, 2024	\$ 37,690,999

Corporate assets held at October 31, 2025 and 2024 in separate corporate OPEB accounts for the exclusive purpose of paying OPEB obligations were approximately \$44.6 million and \$42.2 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 \$1.8 billion as of October 31, 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 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 October 31, 2025, the Authority has disbursed the \$40 million to the PANYNJ. Such obligation has been fully repaid.
- (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

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 was to maintain and repair the parks and open spaces in and around Battery Park City.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Notes to Financial Statements

October 31, 2025 and 2024

The Authority merged the Conservancy employees and their related costs in November 2015. All other operations and related expenses were conducted by the Authority as of November 2020. The Authority is currently in the process of dissolving the Conservancy (see note 22(b)).

(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, in any event, be covered by the Authority's various insurance policies.

(22) Subsequent Events

(a) On December 8, 2025, the Authority issued \$657,835,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2025 (Sustainability Bonds).

Proceeds of the Series 2025 Bonds were issued for the following purposes:

- To fund all or a portion of resiliency and other projects that comprise part of the Authority's Sustainability Program.
- Refund all of the Authority's outstanding 2023 Junior Notes and 2025 Junior Notes.
- Pay costs of issuance of the Series 2025 Senior Bonds.

(b) On October 29, 2024, the Conservancy's Board of Directors voted to adopt and approve the plan of dissolution and was subsequently approved by the Authority's Board of Directors, unanimously. The plan of dissolution was submitted to the Attorney General's ("AG's") office in March 2025. The certificate of dissolution was approved by the AG's office in July 2025. The AG's approval was submitted to the Department of Taxation along with a request for consent to the dissolution in August 2015. The consent to dissolution by the Department of Taxation was received in November 2025. The certificate of dissolution, approval by the AG and consent from the Department of Taxation was submitted to the Department of State in December 2025.

The approval from Department of State was received on December 29, 2025. The final step in the dissolution process is to complete the filing of the 2024 tax return and the 2025 stub period, which will be filed in 2026.

(c) On December 19, 2025, the Authority amended and restated its ground leases with Brookfield Properties for Brookfield Place Towers A, B, C, D and 300 Vesey Street. The Authority and Brookfield have agreed to extend the lease term for an additional fifty years beyond the existing lease expiration dates of 2069 to 2119.

(d) On December 19, 2025, the Authority amended its office space with Brookfield Properties. The Authority will be moving from its current office space in 200 Liberty Street 24th floor to the 15th floor, as well as extending the lease terms to 2040.

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
The Authority's proportion of the net pension liability (asset)	0.03301420%	0.03219080%	0.03201480%	0.03268730%	0.03035020%	0.02944110%	0.02678100%	0.02572800%	0.02614580%	0.01468700%
The Authority's proportionate share of the net pension liability (asset)	\$ 5,661	\$ 4,740	\$ 6,865	\$ (2,672)	\$ 30	\$ 7,796	\$ 1,898	\$ 830	\$ 2,457	\$ 2,357
The Authority's covered payroll	\$ 12,988	\$ 11,768	\$ 11,032	\$ 10,049	\$ 9,519	\$ 9,287	\$ 8,735	\$ 8,071	\$ 8,054	\$ 5,664
The Authority's proportionate share of the net pension liability (asset) as a percentage of covered payroll	43.59%	40.28%	62.23%	-26.59%	0.32%	83.95%	21.73%	10.28%	30.51%	41.61%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.40%	96.30%	98.20%	94.70%	90.70%

Notes to Schedule:

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>
2025	5.90%
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%

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

Schedule of Employer Contributions

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

		2025		2024		2023		2022		2021		2020		2019		2018		2017		2016
Actuarially determined contribution	\$	1,446	\$	1,122	\$	909	\$	1,182	\$	1,037	\$	965	\$	1,165	\$	930	\$	713	\$	518
Contribution in relation to the actuarially determined contribution	\$	1,446	\$	1,122	\$	919	\$	1,182	\$	1,037	\$	965	\$	1,165	\$	930	\$	713	\$	518
Contribution deficiency (excess)	\$	-	\$	-	\$	(10)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
The Authority's covered payroll	\$	12,988	\$	11,768	\$	11,032	\$	10,049	\$	9,519	\$	9,287	\$	8,735	\$	8,071	\$	8,054	\$	5,664
Contribution as a percentage of covered payroll		11.13%		9.53%		8.33%		11.76%		10.89%		10.39%		13.34%		11.52%		8.85%		9.15%

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
Last 10 Fiscal Years * (Unaudited)

(Dollar amounts in thousands)

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service cost	\$ 1,721	1,707	2,704	2,615	2,298	1,947	2,103	2,137
Interest cost	1,983	1,886	1,203	1,023	1,473	1,399	1,402	1,288
Benefit Payments	(1,393)	(1,204)	(1,134)	(1,019)	(1,042)	(907)	(925)	(896)
Effect of economic/demographic gains or (losses)	6,185	(2,077)	(13,176)	(2,167)	4,401	1,079	(7,927)	(1,260)
Effect of plan changes **	—	—	—	1,837	—	—	—	—
Net Change in Total OPEB Liability	<u>8,496</u>	<u>312</u>	<u>(10,403)</u>	<u>2,289</u>	<u>7,130</u>	<u>3,518</u>	<u>(5,347)</u>	<u>1,269</u>
Total OPEB Liability - Beginning	<u>37,691</u>	<u>37,379</u>	<u>47,782</u>	<u>45,493</u>	<u>38,363</u>	<u>34,845</u>	<u>40,192</u>	<u>38,923</u>
Total OPEB Liability - Ending	<u>\$ 46,187</u>	<u>37,691</u>	<u>37,379</u>	<u>47,782</u>	<u>45,493</u>	<u>38,363</u>	<u>34,845</u>	<u>40,192</u>
Covered employee payroll	<u>\$ 12,447</u>	<u>13,072</u>	<u>11,236</u>	<u>10,517</u>	<u>10,929</u>	<u>10,432</u>	<u>9,943</u>	<u>9,406</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	371%	288%	333%	454%	416%	368%	350%	427%

Notes to Schedule:

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

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

Changes of assumptions

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

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