HUGH L. CAREY BATTERY PARK CITY AUTHORITY

(A Component Unit of the State of New York)

Financial Statements
(Together with Independent Auditors' Report)

October 31, 2020 and 2019

MARKS PANETH

ACCOUNTANTS & ADVISORS

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(A Component Unit of the State of New York)

FINANCIAL STATEMENTS
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MARKS PANETH
ACCOUNTANTS & ADVISORS

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of October 31, 2020 and 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 20, the schedule of the Organization's proportionate share of the net pension liability on page 63, the schedule of employer contributions on page 64, and the schedule of changes in total OPEB liability and related ratios on page 65, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information shown on pages 66 through 75 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 29, 2021 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.

Marks Paneth LLP

New York, NY
January 29, 2021

Overview

The following is an overview of the financial activities of Hugh L. Carey Battery Park City Authority (the "Authority") and the Battery Park City Parks Conservancy (the "Conservancy"), a blended component unit of the Authority, collectively referred to as the "Organization" for the fiscal years ended October 31, 2020 and 2019. The basic financial statements, which include the statements of net position (deficit), the statements of revenues, expenses, and changes in net position (deficit), the statements of cash flows, and the notes to the financial statements, provide information about the Organization in accordance with accounting principles generally accepted in the United States of America. All transactions between the Authority and Conservancy have been eliminated. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Comparison of 2020 to 2019 and 2019 to 2018

Financial Highlights – 2020

- The fiscal year ended October 31, 2020 yielded a total of $348.4 million in operating revenues, representing an increase of $23.8 million or 7.3% over the prior fiscal year. Payments in lieu of taxes ("PILOT") revenue totaling $271.0 million (78% of the Authority's operating revenues for the fiscal year ended October 31, 2020) increased $25.4 million or 10.3% compared to the fiscal year ended October 31, 2019. Base rent increased $1.1 million or 1.8% to $63.1 million for the fiscal year ended October 31, 2020. Civic facilities payments and other operating revenues decreased $2.3 million or 14.7% to $13.4 million for the fiscal year ended October 31, 2020. Total operating expenses increased $2.7 million or 5.1% to $56.9 million for the fiscal year ended October 31, 2020.

- A payment of $155.4 million was made in April 2020 towards the provision for the transfer to the City of New York (the "City") for the fiscal year ended October 31, 2019. A $185.0 million provision was recorded representing the PILOT-related portion of fiscal year 2020 excess revenues charged to nonoperating expenses for the fiscal year ended October 31, 2020 (see note 14). This was an increase of $29.6 million over the amount recorded for the fiscal year ended October 31, 2019. Generally, the Authority's net position decreases with increases in the amount of excess revenues provided to the City, which has an adverse effect on the Authority's net position.

- A payment of $41.3 million was made in September 2020 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2019. As of October 31, 2020, pursuant to the 2010 Agreement (see note 14), the Authority recorded an additional provision for the transfer of $44.7 million to the City for the fiscal year ended October 31, 2020, an increase of $3.4 million under the amount recorded for the fiscal year ended October 31, 2019.

- As of October 31, 2020, $92.7 million remained in the Project Cost funds to be used for certain park, street, other infrastructure improvements, and other capital expenditures (see note 8), as compared to $111.3 million as of October 31, 2019.

Financial Highlights – 2019

- The fiscal year ended October 31, 2019 yielded a total of $324.6 million in operating revenues, representing an increase of $17.3 million or 5.6% over the prior fiscal year. PILOT revenue totaling $245.6 million (76% of the Authority's operating revenues for the fiscal year ended October 31, 2019) increased $15.3 million or 6.6% compared to the fiscal year ended October 31, 2018. Base rent increased $148 thousand or 0.2% to $62.0 million for the fiscal year ended October 31, 2019. Civic facilities payments and other operating revenues increased $1.9 million or 14.0% to $15.6 million for the fiscal year ended October 31, 2019. Total operating expenses increased $7.0 million or 14.7% to $54.2 million for the fiscal year ended October 31, 2019.

- A payment of $154.8 million was made in June 2019 towards the provision for the transfer to the City for the fiscal year ended October 31, 2018. A $155.4 million provision was recorded representing the PILOT-related portion of fiscal year 2019 excess revenues charged to nonoperating expenses for the fiscal year ended October 31, 2019. This was an increase of $612 thousand over the amount recorded for the fiscal year ended October 31, 2018. Generally, the Authority's net position decreases with increases in the amount of excess revenues provided to the City, which has an adverse effect on the Authority's net position.

- A payment of $41.7 million was made in October 2019 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2018. As of October 31, 2019, pursuant to the 2010 Agreement, the Authority recorded an additional provision for the transfer of $41.3 million to the City for the fiscal year ended October 31, 2019, a decrease of $338 thousand under the amount recorded for the fiscal year ended October 31, 2018.

- As of October 31, 2019, $111.3 million remained in the Project Cost funds to be used for certain park, street, other infrastructure improvements, and other capital expenditures, as compared to $36.0 million as of October 31, 2018. The increase of $75.3 million is due to the proceeds received by the Authority from the 2019 bond issuance, to be used for certain infrastructure and capital purposes.

- On August 6, 2019, the Authority issued $672,845,000 of fixed-rate and variable-rate bonds. Proceeds were used to redeem all outstanding 2009 Series A and 2009 Series B fixed-rate bonds and all outstanding 2013 Series C, 2013 Series D, and 2013 Series E variable-rate bonds. In addition, $99,352,522 of proceeds are to be used for infrastructure and capital improvements.

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, 2020, 2019 and 2018 follows:

	October 31			2020 vs	2019 vs
	2020	2019	2018	2019	2018
Assets:					
Bank deposits, investments and rents and other receivables	$ 20,592,572	25,062,637	18,722,494	(4,470,065)	6,340,143
Bond resolution restricted assets (current and noncurrent)	413,763,670	402,094,351	358,154,324	11,669,319	43,940,027
Battery Park City project assets, net	529,934,997	521,956,614	507,797,740	7,978,383	14,158,874
Other current and noncurrent assets	125,642,202	107,146,063	103,798,055	18,496,139	3,348,008
Total assets	1,089,933,441	1,056,259,665	988,472,613	33,673,776	67,787,052
Deferred Outflows of Resources:					
Deferred pension outflows	5,982,932	2,147,067	3,495,764	3,835,865	(1,348,697)
Deferred OPEB outflows	3,229,663	2,329,507	2,325,830	900,156	3,677
Accumulated change in fair value of interest rate swaps	16,159,650	746,509	-	15,413,141	746,509
Unamortized loss on extinguishment of bonds	14,532,049	15,830,769	17,297,298	(1,298,720)	(1,466,529)
Deferred costs of refunding, less accumulated amortization	72,335,703	78,534,994	51,222,737	(6,199,291)	27,312,257
Total deferred outflows of resources	112,239,997	99,588,846	74,341,629	12,651,151	25,247,217
Total assets and deferred outflows of resources	$ 1,202,173,438	1,155,848,511	1,062,814,242	46,324,927	93,034,269
Liabilities:					
Current liabilities	$ 347,304,250	301,565,018	296,720,892	45,739,232	4,844,126
Long-term liabilities	1,327,006,549	1,361,085,381	1,322,614,936	(34,078,832)	38,470,445
Total liabilities	1,674,310,799	1,662,650,399	1,619,335,828	11,660,400	43,314,571
Deferred Inflows of Resources:					
Deferred pension inflows	393,925	835,556	2,968,787	(441,631)	(2,133,231)
Deferred OPEB inflows	7,077,953	8,156,163	1,106,608	(1,078,210)	7,049,555
Accumlated change in fair value of interest rate swaps	-	-	147,227	-	(147,227)
Total deferred inflows of resources	7,471,878	8,991,719	4,222,622	(1,519,841)	4,769,097
Net Position (Deficit):					
Net investment in capital assets	15,270,063	9,365,512	3,736,274	5,904,551	5,629,238
Restricted	53,258,828	56,501,686	65,745,242	(3,242,858)	(9,243,556)
Unrestricted	(548,138,130)	(581,660,805)	(630,225,724)	33,522,675	48,564,919
Total net deficit	(479,609,239)	(515,793,607)	(560,744,208)	36,184,368	44,950,601
Total liabilities, deferred inflows of resources and net position	$ 1,202,173,438	1,155,848,511	1,062,814,242	46,324,927	93,034,269

Assets and Deferred Outflows of Resources

2020 vs. 2019

At October 31, 2020, the Organization maintained total assets and deferred outflows of resources of $1.20 billion, $46.3 million higher than the $1.16 billion at October 31, 2019, primarily due to increases in the accumulated change in the fair value of interest rate swaps and the corporate-designated, escrowed, and OPEB funds.

2019 vs. 2018

At October 31, 2019, the Organization maintained total assets and deferred outflows of resources of $1.16 billion, $93.0 million higher than the $1.06 billion at October 31, 2018, primarily due to the addition of the 2019 revenue bond funds, as well as the increase in the deferred cost of refunding due to amending the interest rate swap agreements.

Bank Deposits, Investments, Rents and Other Receivables

2020 vs. 2019

Bank deposits, investments, and rents and other receivables held at October 31, 2020 decreased $4.5 million over the same period last year. Bank deposits and investments decreased by $3.0 million and rents and other receivables decreased by $1.4 million. The decrease in bank deposits and investments primarily relates to less unpledged revenues received in the current fiscal year compared to the prior year. The decrease in rents and other receivables of $1.4 million is due to the collection of receipts of base rent and PILOT in the current year.

2019 vs. 2018

Bank deposits, investments, and rents and other receivables held at October 31, 2019 increased $6.3 million over the same period last year. Bank deposits and investments increased by $3.7 million and rents and other receivables increased by $2.6 million. The increase in bank deposits and investments primarily relates to more unpledged revenues received in the current fiscal year compared to the prior year. The increase in rents and other receivables of $2.6 million is due to the increase in uncollected receipts of base rent and PILOT in the current year.

Bond Resolution Restricted Assets

2020 vs. 2019

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions, and the 2009, 2013 and 2019 Revenue Bond Resolutions. Such assets of $413.8 million at October 31, 2020 were $11.7 million higher than the fair value of assets held at October 31, 2019 of $402.1 million (see note 8).

Funds held in the Pledged Revenue Fund ("PRF") of $208.7 million at October 31, 2020 were $27.6 million higher than funds held at October 31, 2019.

Funds held in the Debt Service Funds of $67.8 million at October 31, 2020 were $6.0 million higher than funds at October 31, 2019.

Funds held in the Project Operating Fund of $8.2 million were $255 thousand lower at October 31, 2020 compared to 2019.

Funds held in the Residual Fund for payment to the City of $1.1 million at October 31, 2020 were $1.7 million lower than at October 31, 2019.

Funds held under the Resolutions for project infrastructure and certain other asset costs were $92.7 million as of October 31, 2020, $18.6 million lower than funds held at October 31, 2019.

2019 vs. 2018

Bond resolution restricted assets are funds and accounts established in accordance with the 2003 General Bond Resolutions, and the 2009, 2013 and 2019 Revenue Bond Resolutions. Such assets of $402.1 million at October 31, 2019 were $43.9 million higher than the fair value of assets held at October 31, 2018 of $358.2 million.

Funds held in the PRF of $181.1 million at October 31, 2019 were $2.5 million lower than funds held at October 31, 2018.

Funds held in the Debt Service Funds of $61.7 million at October 31, 2019 were $6.8 million higher than funds at October 31, 2018.

Funds held in the Project Operating Fund of $8.5 million were $1.4 million higher at October 31, 2019 compared to 2018.

Funds held in the Residual Fund for payment to the City of $2.8 million at October 31, 2019 were $1.2 million higher than at October 31, 2018.

Funds held under the Resolutions for project infrastructure and certain other asset costs were $111.3 million as of October 31, 2019, $75.3 million higher than funds held at October 31, 2018.

Project Assets

At October 31, 2020, the Authority's investment in project assets, net of accumulated depreciation, was $529.9 million, an increase of $8.0 million from October 31, 2019. The Battery Park City project ("Project") consists of approximately 92 acres of landfill created, owned, and operated by the Authority. The Project's development plan includes approximately 35 acres of parkland and open spaces and provides for the construction, by private developers, of approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, museums, three public schools, a public library, and approximately 8,600 residential units.

The Authority's project assets include land, site improvements, and a residential building constructed by the Authority on Site 22. Additionally, condominium units owned by the Authority on Sites 1, 3, 16/17, and a community center on Sites 23 and 24, and related infrastructure improvements are included in project assets. The balances at October 31, 2020, 2019 and 2018 were as follows:

		October 31			2020 vs	2019 vs
		2020	2019	2018	2019	2018
Land	$	83,015,653	83,015,653	83,015,653	-	-
Site improvements		478,798,515	465,537,094	441,873,740	13,261,421	23,663,354
Residential building and condominium units		142,205,238	137,518,866	137,180,295	4,686,372	338,571
		704,019,406	686,071,613	662,069,688	17,947,793	24,001,925
Less: accumulated depreciation		(174,084,409)	(164,114,999)	(154,271,948)	(9,969,410)	(9,843,051)
Total Battery Park City project assets	$	529,934,997	521,956,614	507,797,740	7,978,383	14,158,874

2020 vs. 2019

For the year ended October 31, 2020, the increase to site improvements of $13.3 million relates to improvements at Site 23/24 Community Center, esplanade and restoration of piles, Wagner Park restrooms, Rector Street Grid, Rockefeller Park playground, and other minor capital improvements (see note 3(c)).

2019 vs. 2018

For the year ended October 31, 2019, the increase to site improvements of $23.7 million relates to the esplanade and restoration of piles, Tribeca Bridge Rehabilitation, South Cove Jetty re-planking, Rector Street Grid, leasehold improvements, and other minor capital improvements.

Other Current and Noncurrent Assets

Other current and noncurrent assets at October 31, 2020, 2019 and 2018 were as follows:

		October 31			2020 vs	2019 vs
		2020	2019	2018	2019	2018
Residential lease required funds	$	29,066,447	29,117,119	28,036,068	(50,672)	1,081,051
Corporate-designated, escrowed and OPEB funds		89,346,885	73,259,518	71,016,172	16,087,367	2,243,346
Fair value of interest rate swaps		-	-	147,227	-	(147,227)
Other assets		7,228,870	4,769,426	4,598,588	2,459,444	170,838
Total other current and noncurrent assets	$	125,642,202	107,146,063	103,798,055	18,496,139	3,348,008

2020 vs. 2019

Total other current and noncurrent assets increased $18.5 million from $107.1 million at October 31, 2019 to $125.6 million at October 31, 2020, primarily due to increased funding of $10 million to the corporate designated reserves.

Residential lease required funds, which include security deposits held for condominium buildings, decreased by $51 thousand. Overall, corporate-designated, escrowed and OPEB funds increased $16.1 million from October 31, 2019.

2019 vs. 2018

Total other current and noncurrent assets increased $3.3 million from $103.8 million at October 31, 2018 to $107.1 million at October 31, 2019.

Residential lease required funds, which include security deposits held for condominium buildings, increased by $1.1 million. Overall, corporate-designated, escrowed and OPEB funds increased $2.2 million from October 31, 2018.

Deferred Outflows of Resources

Deferred outflows of resources at October 31, 2020, 2019, and 2018 were as follows:

		October 31			2020 vs	2019 vs
		2020	2019	2018	2019	2018
Deferred Outflows of Resources:						
Deferred pension outflows	$	5,982,932	2,147,067	3,495,764	3,835,865	(1,348,697)
Deferred OPEB outflows		3,229,663	2,329,507	2,325,830	900,156	3,677
Accumulated change in fair value of interest rate swaps		16,159,650	746,509	-	15,413,141	746,509
Unamortized loss on extinguishment of bonds		14,532,049	15,830,769	17,297,298	(1,298,720)	(1,466,529)
Deferred costs of refunding, less accumulated amortization		72,335,703	78,534,994	51,222,737	(6,199,291)	27,312,257
Total deferred outflows of Resources	$	112,239,997	99,588,846	74,341,629	12,651,151	25,247,217

2020 vs. 2019

Deferred pension outflows of $6.0 million at October 31, 2020 represents the Authority's portion of the deferred pension outflows from the New York State pension plan.

Deferred OPEB outflows of $3.2 million at October 31, 2020 represents the Authority's deferred OPEB outflows resulting from Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75").

Accumulated change in the fair value of interest rate swap agreements, which continue in effect and continue as an effective hedge, had a negative fair value of $747 thousand at October 31, 2019. At October 31, 2020, the interest rate swaps had a negative fair value of $16.2 million. The change in value is primarily due to changes in the fair value of the swaps, which declined in value due to lower expected future floating interest rates as valued on October 31, 2020, whereby swap rates declined for tenors equivalent to the Authority's swaps' remaining tenors at the valuation date relative to the at-the-market rate of the Authority's swaps at August 6, 2019. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statement of net position (deficit).

The unamortized loss on extinguishment of the bonds decreased by $1.3 million from October 31, 2019 to October 31, 2020. The decrease is a result of the amortization during the current fiscal year.

The deferred cost of refunding decreased by $6.2 million from October 31, 2019 to October 31, 2020. The decrease is a result of the amortization during the current fiscal year.

2019 vs. 2018

Deferred pension outflows of $2.1 million at October 31, 2019 represents the Authority's portion of the deferred pension outflows from the New York State pension plan.

Deferred OPEB outflows of $2.3 million at October 31, 2019 represents the Authority's deferred OPEB outflows resulting from GASB 75.

Accumulated change in the fair value of interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of $147 thousand at October 31, 2018. At October 31, 2019, the interest rate swaps had a negative fair value of $747 thousand. The change in value is primarily due to a revision of the swap agreement, which included an increase in the fixed interest rate, as well as a change in the floating rate index from the one-month LIBOR to the one-week SIFMA as of August 2019. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statement of net position (deficit).

The unamortized loss on extinguishment of the bonds decreased by $1.47 million from October 31, 2018 to October 31, 2019.

The deferred cost of refunding increased by $27.3 million from October 31, 2018 to October 31, 2019. The increase is a result of the revised swap amortization during the current fiscal year.

Liabilities

Total liabilities at October 31, 2020, 2019 and 2018 were as follows:

		October 31			
	2020	**2019**	**2018**	**2020 vs 2019**	**2019 vs 2018**
Current liabilities:					
Accrued interest on bonds	$ 12,203,688	10,074,623	16,427,212	2,129,065	(6,352,589)
Accounts payable and other liabilities	6,277,608	6,554,103	3,954,301	(276,495)	2,599,802
Accrued pension payable	7,796,174	1,897,514	830,358	5,898,660	1,067,156
Due to the City of New York	185,036,280	155,389,471	154,773,700	29,646,809	615,771
Due to the City of New York 2010 Agreement	44,722,646	41,323,443	41,664,457	3,399,203	(341,014)
Due to the Port Authority of NY & NJ	869,381	869,381	869,381	-	-
Unearned revenue	60,608,735	53,974,653	50,484,445	6,634,082	3,490,208
Security and other deposits	4,738	4,738	4,738	-	-
2009 Revenue Bonds	-	-	355,000	-	(355,000)
2013 Revenue Bonds	25,735,000	24,590,000	27,060,000	1,145,000	(2,470,000)
2019 Revenue Bonds	4,050,000	-	-	4,050,000	-
Bond resolution fund payables	-	6,887,092	297,300	(6,887,092)	6,589,792
Total current liabilities	347,304,250	301,565,018	296,720,892	45,739,232	4,844,126
Noncurrent liabilities:					
Unearned revenue	212,853,972	224,825,159	236,796,499	(11,971,187)	(11,971,340)
Security and other deposits	29,406,518	29,112,482	28,381,118	294,036	731,364
OPEB	38,363,000	34,844,588	40,192,000	3,518,412	(5,347,412)
Fair value of interest rate swaps	16,159,650	746,509	-	15,413,141	746,509
Imputed borrowing	72,335,703	78,534,993	51,222,737	(6,199,290)	27,312,256
Bonds outstanding:					
2009 Revenue Bonds	-	-	85,820,851	-	(85,820,851)
2013 Revenue Bonds	237,443,388	266,010,060	880,201,731	(28,566,672)	(614,191,671)
2019 Revenue Bonds	720,444,318	727,011,590	-	(6,567,272)	727,011,590
Total noncurrent liabilities	1,327,006,549	1,361,085,381	1,322,614,936	(34,078,832)	38,470,445
Total liabilities	$ 1,674,310,799	1,662,650,399	1,619,335,828	11,660,400	43,314,571

2020 vs. 2019

The Organization's total liabilities increased $11.7 million from $1.66 billion at October 31, 2019 to $1.67 billion at October 31, 2020.

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

The $11.7 million increase in total liabilities is due to:

- a $2.1 million increase in accrued interest payable on bonds from $10.1 million at October 31, 2019 to $12.2 million at October 31, 2020.
- a $277 thousand decrease in accounts payable and other liabilities from $6.6 million at October 31, 2019 to $6.3 million at October 31, 2020.
- a $5.9 million increase in accrued pension payable relates to the Authority's liability portion of the New York State pension plan.
- a $185.0 million liability was recorded as of October 31, 2020, which includes fiscal 2020 PILOT-related excess revenues to be transferred to the City, an increase of $29.6 million from the prior fiscal year provision of $155.4 million.
- a $44.7 million liability was recorded as of October 31, 2020, as an expected payment to the City under the provisions of the 2010 Agreement. A payment of $41.3 million was made in September 2020 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2019.
- a $5.3 million decrease to $273.5 million in total unearned revenue from $278.8 million at October 31, 2019 due to revenue of $5.3 million recognized on leases.
- a $294 thousand increase in total security and other deposits to $29.4 million at October 31, 2020. Security deposits are held for condominium sites and not rental sites.
- a net increase of $3.5 million in OPEB liability to $38.4 million at October 31, 2020 from $34.8 million at October 31, 2019, primarily due to the change in the discount rate from the actuarial assumptions compared to the prior valuation report.
- the interest rate swap agreements, which continue in effect and continue as an effective hedge, had a negative fair value of $747 thousand at October 31, 2019. At October 31, 2020, the interest rate swaps had a negative fair value of $16.2 million. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statement of net position (deficit).
- a $6.2 million decrease in the imputed borrowing represents the revised fair value of the bifurcated swaps at the date of refunding. The $80.0 million is being amortized using the straight-line method over the remaining life of the original 2003 bonds (see note 10).
- a $27.4 million decrease in 2013 Revenue Bonds outstanding due to a principal payment of $24.6 million and bond premium amortization of $2.8 million (see note 17).
- a $2.5 million decrease in 2019 Revenue Bonds outstanding due to amortization of the bond premium on the 2019 Senior Series debt in the amount of $2.5 million (see note 17).

2019 vs. 2018

The Organization's total liabilities increased $43.3 million from $1.62 billion at October 31, 2018 to $1.66 billion at October 31, 2019.

The $43.3 million increase in total liabilities is due to:

- a $6.4 million decrease in accrued interest payable on bonds from $16.4 million at October 31, 2018 to $10.1 million at October 31, 2019.

- a $2.6 million increase in accounts payable and other liabilities from $4.0 million at October 31, 2018 to $6.6 million at October 31, 2019. The increase is primarily due to $3.5 million more of accrued expenses at fiscal year-end as compared to the prior fiscal year-end. There was a decrease of $746 thousand from a PILOT abatement payable in the prior fiscal year that offset the total increase.
- a $1.1 million increase in accrued pension payable relates to the Authority's liability portion of the New York State pension plan.
- a $155.4 million liability was recorded as of October 31, 2019, which includes fiscal 2019 PILOT-related excess revenues to be transferred to the City, an increase of $616 thousand from the prior fiscal year provision of $154.8 million.
- a $41.3 million liability was recorded as of October 31, 2019, as an expected payment to the City under the provisions of the 2010 Agreement. A payment of $41.7 million was made in October 2019 towards the provision for the transfer to the City for the "pay-as-you-go" capital payment for the fiscal year ended October 31, 2018.
- a $8.5 million decrease to $278.8 million in total unearned revenue from $287.3 million at October 31, 2018 due to revenue of $8.5 million recognized on leases.
- a $731 thousand increase in total security and other deposits to $29.1 million at October 31, 2019. Security deposits are held for condominium sites and not rental sites.
- a net decrease of $5.3 million in OPEB liability to $34.8 million at October 31, 2019 from $40.2 million at October 31, 2018, primarily due to the change in the discount rate from the actuarial assumptions compared to the prior valuation report.
- the interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of $147 thousand at October 31, 2018. At October 31, 2019, the interest rate swaps had a negative fair value of $746 thousand. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statement of net position (deficit).
- a $27.3 million increase in the imputed borrowing represents the revised fair value of the bifurcated swaps at the date of refunding. The $80.0 million is being amortized using the straight-line method over the remaining life of the original 2003 bonds.
- a $86.2 million decrease in 2009 Revenue Bonds outstanding due to the 2019 refunding of these bonds in August 2019.
- a $616.7 million decrease in 2013 Revenue Bonds outstanding due to the 2019 refunding of the junior revenue bonds (2013CDE) in August 2019.
- a $727.0 million increase in 2019 Revenue Bonds outstanding due to the issuance of these bonds in August 2019.

Deferred Inflows of Resources

		October 31			2020 vs	2019 vs
		2020	2019	2018	2019	2018
Deferred Inflows of Resources:						
Deferred pension inflows	$	393,925	835,556	2,968,787	(441,631)	(2,133,231)
Deferred OPEB inflows		7,077,953	8,156,163	1,106,608	(1,078,210)	7,049,555
Accumulated change in fair value of interest rate swaps		-	-	147,227	-	(147,227)
Total deferred inflows of resources	$	7,471,878	8,991,719	4,222,622	(1,519,841)	4,769,097

2020 vs. 2019

Deferred pension inflows of $394 thousand at October 31, 2020 represents the Authority's portion of the deferred pension inflows from the New York State pension plan (see note 18).

Deferred OPEB inflows of $7.1 million at October 31, 2020 represents the Authority's deferred OPEB outflows resulting from GASB 75 (see note 19).

2019 vs. 2018

Deferred pension inflows of $836 thousand at October 31, 2019 represents the Authority's portion of the deferred pension inflows from the New York State pension plan.

Deferred OPEB inflows of $8.2 million at October 31, 2019 represents the Authority's deferred OPEB outflows resulting from GASB 75.

The accumulated change in fair value of interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of $147 thousand at October 31, 2018. At October 31, 2019, the interest rate swaps had a negative fair value of $747 thousand. The change in value is primarily due to a revision of the swap agreement, which included an increase in interest rates, as well as a change in the index from LIBOR to SIFMA as of August 2019. The negative fair value has been included as a liability and a deferred outflow of resources in the Authority's statement of net position (deficit).

Net Position (Deficit)

		October 31			2020 vs	2019 vs
		2020	2019	2018	2019	2018
Net Position (deficit):						
Net investment in capital assets	$	15,270,063	9,365,512	3,736,274	5,904,551	5,629,238
Restricted		53,258,828	56,501,686	65,745,242	(3,242,858)	(9,243,556)
Unrestricted		(548,138,130)	(581,660,805)	(630,225,724)	33,522,675	48,564,919
Total net position (deficit)	$	(479,609,239)	(515,793,607)	(560,744,208)	36,184,368	44,950,601

2020 vs. 2019

The change in total net position (deficit) represents a positive change of $36.2 million in the deficit position from $515.8 million at October 31, 2019 to $479.6 million at October 31, 2020.

Net investment in capital assets was a surplus of $15.3 million and $9.4 million at October 31, 2020 and 2019, 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 $53.3 million of restricted net position at October 31, 2020 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 $548.1 million at October 31, 2020 resulting from the cumulative net excess revenues, which are transferred to the City annually (see note 14).

2019 vs. 2018

The change in total net position (deficit) represents a positive change of $45.0 million in the deficit position from $560.7 million at October 31, 2018 to $515.8 million at October 31, 2019.

Net investment in capital assets was a surplus of $9.4 million and $3.7 million at October 31, 2019 and 2018, 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 $56.5 million of restricted net position at October 31, 2019 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 $581.7 million at October 31, 2019 resulting from the cumulative net excess revenues, which are transferred to the City annually.

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

Below is a summary of the Organization's revenues, expenses, and changes in net position (deficit) for the fiscal years ended October 31, 2020, 2019 and 2018:

	October 31			2020 vs	2019 vs
	2020	2019	2018	2019	2018
Operating revenues:					
Revenues from ground leases:					
Base rent	$ 63,116,514	61,976,552	61,828,459	1,139,962	148,093
Supplemental rent	880,724	1,321,086	1,321,086	(440,362)	-
Payments in lieu of real estate taxes	271,007,680	245,649,054	230,383,596	25,358,626	15,265,458
Civic facilities payments and other	13,351,831	15,644,134	13,713,739	(2,292,303)	1,930,395
Total operating revenues	348,356,749	324,590,826	307,246,880	23,765,923	17,343,946
Operating expenses:					
Wages and related benefits	18,485,029	16,734,791	15,809,938	1,750,238	924,853
OPEB	2,609,378	2,563,285	1,503,476	46,093	1,059,809
Other operating and administrative expenses	24,973,003	24,337,991	19,605,573	635,012	4,732,418
Depreciation and amortization	10,867,313	10,556,289	10,320,125	311,024	236,164
Total operating expenses	56,934,723	54,192,356	47,239,112	2,742,367	6,953,244
Operating income	291,422,026	270,398,470	260,007,768	21,023,556	10,390,702
Nonoperating revenues (expenses):					
Investment and other income	9,595,499	15,992,752	4,776,488	(6,397,253)	11,216,264
Gain (loss) on project assets	(760,462)	-	-	(760,462)	-
Interest expense, net	(33,201,321)	(37,232,117)	(36,923,078)	4,030,796	(309,039)
Bond issuance costs	(12,344)	(3,813,506)	-	3,801,162	(3,813,506)
Provision for transfer to the City of New York	(185,033,064)	(155,386,254)	(154,773,700)	(29,646,810)	(612,554)
Provision for transfer to the City of New York - 2010 Agreement	(44,722,646)	(41,326,660)	(41,664,457)	(3,395,986)	337,797
Provision for transfer to NYC - West Thames St. Pedestrian Bridge	(1,103,320)	(3,682,084)	-	2,578,764	(3,682,084)
Total nonoperating expenses	(255,237,658)	(225,447,869)	(228,584,747)	(29,789,789)	3,136,878
Change in net position (deficit)	36,184,368	44,950,601	31,423,021	(8,766,233)	13,527,580
Net deficit, beginning of year	(515,793,607)	(560,744,208)	(592,167,229)	44,950,601	31,423,021
Net deficit, end of year	$ (479,609,239)	(515,793,607)	(560,744,208)	36,184,368	44,950,601

Operating Revenues

2020 vs. 2019

Overall operating revenues for the year ended October 31, 2020 totaled $348.4 million, a net of $23.8 million higher than the year ended October 31, 2019. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent increased $1.1 million from $62.0 million for the year ended October 31, 2019. PILOT revenue totaling $271.0 million (78% of the total operating revenues for the fiscal year ended October 31, 2020), increased by $25.4 million over the fiscal year ended October 31, 2019, primarily due to increases in PILOT assessments established by the City. The $2.3 million change in civic facility payments and other is a decrease from $15.6 million for the year ended October 31, 2019 to $13.4 million for the year ended October 31, 2020.

2019 vs. 2018

Overall operating revenues for the year ended October 31, 2019 totaled $324.6 million, a net of $17.3 million higher than the year ended October 31, 2018. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent increased $148 thousand from $61.8 million for the year ended October 31, 2018. PILOT revenue totaling $245.7 million (76% of the total operating revenues for the fiscal year ended October 31, 2019), increased by $15.3 million over the fiscal year ended October 31, 2018, primarily due to increases in PILOT assessments established by the City. The $1.9 million change in civic facility payments and other is an increase from $13.7 million for the year ended October 31, 2018 to $15.6 million for the year ended October 31, 2019.

Operating Expenses

2020 vs. 2019

Operating expenses totaled $56.9 million for the fiscal year ended October 31, 2020, representing a $2.7 million increase compared to the fiscal year ended October 31, 2019. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses; and depreciation and amortization.

Wages and related benefits totaling $18.5 million increased $1.8 million over the previous fiscal year ended October 31, 2019. This increase consisted of pension expense of $1.4 million, as well as an increase in wages and other benefits of approximately $400 thousand.

OPEB expenses for the Organization increased for the fiscal year ended October 31, 2020 by $47 thousand compared to the prior year (see note 19).

Other operating and administrative expenses of $25.0 million increased by $635 thousand for the year ended October 31, 2020.

Depreciation and amortization expenses for the fiscal year ended October 31, 2020 of $10.9 million was $311 thousand higher than the year ended October 31, 2019.

2019 vs. 2018

Operating expenses totaled $54.2 million for the fiscal year ended October 31, 2019, representing a $7.0 million increase compared to the fiscal year ended October 31, 2018. The expenses include: wages and related benefits; OPEB; other operating and administrative expenses; and depreciation and amortization.

Wages and related benefits totaling $16.7 million increased $925 thousand over the previous fiscal year ended October 31, 2018. This increase consisted of wages and payroll taxes of $500 thousand, as well as an increase in other benefits of approximately $425 thousand.

OPEB expenses for the Organization increased for the fiscal year ended October 31, 2019 by $1.1 million due to the increase in the discount rate based on actuarial assumptions compared to the prior year.

Other operating and administrative expenses of $24.3 million increased by $4.7 million for the year ended October 31, 2019.

Depreciation and amortization expenses for the fiscal year ended October 31, 2019 of $10.6 million was $236 thousand higher than the year ended October 31, 2018.

Nonoperating Revenues (Expenses)

2020 vs. 2019

Total nonoperating expenses were a net $29.8 million higher for the year ended October 31, 2020 than the year ended October 31, 2019. A provision for a transfer to the City of $185.0 million in excess revenues was charged to expense for the year ended October 31, 2020, an increase of $29.7 million from the year ended October 31, 2019. In addition, a provision for transfer to the City for the 2010 Agreement of $44.7 million was charged to expense for the year ended October 31, 2020, an increase of $3.4 million from the year ended October 31, 2019.

Investment and other income decreased year over year by $6.4 million primarily due to $5.8 million of realized and unrealized gains in the portfolio during the year ended October 31, 2020, plus a $563 thousand decrease in portfolio investment income. Net interest expense decreased $7.8 million, including $3.8 million of bond issuance costs that were not incurred during the year ended October 31, 2020 for the issuance in the prior fiscal year for the 2019 revenue bonds. Additionally, there was a $4 million decrease in interest expense from $35.9 million at October 31, 2019 compared to $31.9 million at October 31, 2020 for the 2009, 2013 and 2019 Revenue Bonds, as well as the net interest expense for swaps.

2019 vs. 2018

Total nonoperating expenses were a net $3.1 million lower for the year ended October 31, 2019 than the year ended October 31, 2018. A provision for a transfer to the City of $155.4 million in excess revenues was charged to expense for the year ended October 31, 2019, an increase of $613 thousand from the year ended October 31, 2018. In addition, a provision for transfer to the City for the 2010 Agreement of $41.3 million was charged to expense for the year ended October 31, 2019, a decrease of $338 thousand from the year ended October 31, 2018.

Investment and other income increased year over year by $11.2 million primarily due to $11.6 million of realized and unrealized gains in the portfolio during the year ended October 31, 2019, which offset a $382 thousand decrease in portfolio investment income.

Net interest expense decreased $310 thousand, including $3.9 million of additional interest expense that did not exist at October 31, 2018 for the issuance in the current fiscal year for the 2019 revenue bonds. This amount was offset by less interest expense of $3.6 million at October 31, 2019 compared to October 31, 2018 for the 2009 and 2013 Revenue bonds, as well as the net interest expense for swaps.

Change in Net Position (Deficit)

The total net deficits at October 31, 2020 and 2019 were $479.6 million and $515.8 million, respectively.

The total net deficits at October 31, 2019 and 2018 were $515.8 million and $560.7 million, respectively.

Other Information

Debt Administration **–** On December 22, 2009, the Authority issued $56,600,000 of fixed-rate Senior Revenue Bonds, Series A (Federally Taxable – Build America Bonds), (the "2009 Series A Bonds") and $30,635,000 of fixed-rate Senior Revenue Bonds, Series 2009 B (the "2009 Series B Bonds") (see notes 11 and 17). At October 31, 2020, there were no 2009 Series A Bonds or 2009 Series B Bonds outstanding.

On October 23, 2013, the Authority issued $356,085,000 of fixed-rate Senior Revenue Bonds, Series 2013A (Tax-Exempt Bonds) (the "2013 Series A Bonds") and $6,700,000 of fixed-rate Senior Revenue Bonds, Series 2013B (the "2013 Series B Bonds"). In addition, the Authority directly placed $609,530,000 of variable-rate Junior Revenue Bonds with three banks or bank affiliates, comprising $210,865,000 of Junior Revenue Bonds, Series 2013C (the "2013 Series C Bonds"), $199,330,000 of Junior Revenue Bonds, Series 2013D (the "2013 Series D Bonds"), and $199,335,000 of Junior Revenue Bonds, Series 2013E (the "2013 Series E Bonds") (collectively, the "2013 Series C, D, and E Bonds") (see notes 12 and 17). At October 31, 2020, outstanding bonds and ratings were as follows:

		Outstanding debt	Fitch	Moody's
2013 Senior Revenue A Bonds *	$	232,030,000	AAA	Aaa

* Source: Fitch - rating as of March 17, 2017, Moody's - rating as of October 19, 2018

On August 6, 2019, the Authority issued $72,765,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2019A (Sustainability Bonds) (the "2019 Series A Bonds"), $146,510,000 of fixed-rate tax-exempt Senior Revenue Bonds, Series 2019B (the "2019 Series B Bonds"), and $3,570,000 of fixed-rate Senior Revenue Bonds, Series 2019C (Federally Taxable) (Sustainability Bonds) (the "2019 Series C Bonds"). On that date, the Authority also issued $300,000,000 of variable-rate Junior Revenue Bonds, Series 2019D (Adjustable Rate Bonds) (the "2019 Series D Bonds"), composed of $150,000,000 of Subseries 2019D-1 and $150,000,000 of Subseries 2019D-2) and sold $150,000,000 of variable-rate Junior Revenue Bonds, Series 2019E (the "2019 Series E Bonds") to a bank (see notes 13 and 17). At October 31, 2020, 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*	300,000,000	AA+	Aa1
2019 Junior Revenue E Bonds	150,000,000	Not rated	Not rated

* Source: Fitch - rating as of May 18, 2020, Moody's - rating as of June 14, 2019

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

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

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

Statements of Net Position (Deficit)

October 31, 2020 and 2019

Assets		**2020**	**2019**
Current assets:			
Bank deposits	$	55,512	42,936
Investments (notes 3(e) and 3(k))		14,290,520	17,347,836
Restricted assets:			
Rents and other receivables (net of allowance for doubtful accounts of $2,240,375 in 2020 and $1,803,872 in 2019) (note 15)		6,246,540	7,671,865
2003 General Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 10)		285,842,329	257,480,288
2009 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 11)		380,000	1,345,342
2013 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 12)		7,448,805	10,413,173
2019 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 13)		43,862,301	55,397,072
Bond resolution fund receivables (notes 3(e), 8, 9, 12 and 14)		384,000	—
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(k), 19)		2,330,704	1,484,830
Total current assets		360,840,711	351,183,342
Noncurrent assets:			
Restricted assets:			
2003 General Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 10)		34,849,096	33,338,267
2009 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 11)		164,169	261,624
2013 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 12)		5,847,649	4,104,844
2019 Revenue Bond Resolution Funds (notes 3(e), 3(k), 8, 9, and 13)		34,985,321	39,753,741
Residential lease required funds (note 3(e) and 3(k))		29,066,447	29,117,119
Corporate-designated, escrowed, and OPEB funds (notes 3(e), 3(k), 19)		87,016,181	71,774,688
Battery Park City project assets – at cost, less accumulated depreciation (notes 2, 3(c), and 4)		529,934,997	521,956,614
Other assets		7,228,870	4,769,426
Total noncurrent assets		729,092,730	705,076,323
Total assets		1,089,933,441	1,056,259,665
Deferred Outflows of Resources			
Deferred pension outflows (note 18)		5,982,932	2,147,067
Deferred OPEB outflows (note 19)		3,229,663	2,329,507
Accumulated change in fair value of interest rate swaps (notes 3(j) and 10)		16,159,650	746,509
Unamortized loss on extinguishment of bonds (notes 3(g), 11 and 12)		14,532,049	15,830,769
Deferred costs of refunding, less accumulated amortization of $7,678,755 in 2020 and $1,479,464 in 2019 (note 10)		72,335,703	78,534,994
Total deferred outflows of resources		112,239,997	99,588,846
Total assets and deferred outflows of resources	$	1,202,173,438	1,155,848,511

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

Statements of Net Position (Deficit)

October 31, 2020 and 2019

Liabilities		**2020**	**2019**
Current liabilities:			
Accrued interest on bonds	$	12,203,688	10,074,623
Accounts payable and other liabilities (note 16)		6,277,608	6,554,103
Accrued pension payable (note 18)		7,796,174	1,897,514
Due to the City of New York (note 14)		185,036,280	155,389,471
Due to the City of New York - 2010 Agreement (note 14)		44,722,646	41,323,443
Due to the Port Authority of New York & New Jersey (note 20(c))		869,381	869,381
Unearned revenue (note 3(d)):			
PILOT revenue		44,482,150	40,995,851
Base rent and other revenue		16,126,585	12,978,802
Security and other deposits		4,738	4,738
2013 Revenue Bonds (notes 8, 9, and 12)		25,735,000	24,590,000
2019 Revenue Bonds (notes 8, 9, and 13)		4,050,000	—
Bond resolution fund payables (notes 3(e), 8, 9, 12)		—	6,887,092
Total current liabilities		347,304,250	301,565,018
Noncurrent liabilities:			
Unearned revenue (note 3(d)):			
Base rent and other revenue		212,853,972	224,825,159
Security and other deposits		29,406,518	29,112,482
OPEB (note 19)		38,363,000	34,844,588
Fair value of interest rate swaps (notes 3(j) and 10)		16,159,650	746,509
Imputed borrowing (note 3(j) and 10)		72,335,703	78,534,993
Bonds outstanding (notes 8, 9, 10, 11, 12, 13 and 17):			
2013 Revenue Bonds, less accumulated amortization of $20,076,664 in 2020 and $17,244,992 in 2019		237,443,388	266,010,060
2019 Revenue Bonds, less accumulated amortization of $3,119,861 in 2020 and $602,589 in 2019		720,444,318	727,011,590
Total noncurrent liabilities		1,327,006,549	1,361,085,381
Total liabilities		1,674,310,799	1,662,650,399
Deferred Inflows of Resources			
Deferred pension inflows (note 18)		393,925	835,556
Deferred OPEB inflows (note 19)		7,077,953	8,156,163
Total deferred inflows of resources		7,471,878	8,991,719
Net Position (Deficit)			
Net investment in capital assets		15,270,063	9,365,512
Restricted:			
Debt service		51,237,934	47,462,490
Under bond resolutions and other agreements		2,020,894	9,039,196
Unrestricted (deficit)		(548,138,130)	(581,660,805)
Total net position (deficit)		(479,609,239)	(515,793,607)
Total liabilities, deferred inflows of resources and net position (deficit)	$	1,202,173,438	1,155,848,511

See accompanying notes to financial statements.

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

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

Years Ended October 31, 2020 and 2019

		2020	2019
Operating revenues:			
Revenues from ground leases (notes 5, 6, and 7):			
Base rent	$	63,116,514	61,976,552
Supplemental rent		880,724	1,321,086
Payments in lieu of real estate taxes (note 14)		271,007,680	245,649,054
Civic facilities payments and other		13,351,831	15,644,134
Total operating revenues		348,356,749	324,590,826
Operating expenses:			
Wages and related benefits		18,485,029	16,734,791
OPEB (note 19)		2,609,378	2,563,285
Other operating and administrative expenses		24,973,003	24,337,991
Depreciation of project assets		10,124,213	9,843,050
Other depreciation and amortization		743,100	713,239
Total operating expenses		56,934,723	54,192,356
Operating income		291,422,026	270,398,470
Nonoperating revenues (expenses):			
Investment income on funds relating to:			
2003 Revenue Bonds (note 10)		1,243,753	1,689,182
Corporate-designated, escrowed, and OPEB funds		1,328,832	1,446,145
Realized and unrealized gains		7,022,914	12,857,425
Loss on project assets		(760,462)	—
Interest expense relating to:			
2003 Swap agreements – net expense		(9,314,163)	(6,559,659)
2003 Revenue Bonds (note 10)		(11,823)	(11,758)
2009 Revenue Bonds (note 11)		—	(2,839,568)
2013 Revenue Bonds (note 12)		(8,676,728)	(22,554,175)
2019 Revenue Bonds (note 13)		(13,899,887)	(3,947,574)
Loss on extinguishment from debt		(1,298,720)	(1,319,383)
Bond issuance costs		(12,344)	(3,813,506)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts (note 14)		(185,033,064)	(155,386,254)
Provision for transfer to the City of New York per 2010 agreement (note 14)		(44,722,646)	(41,326,660)
Provision for transfer to the City of New York - West Thames St Pedestrian Bridge		(1,103,320)	(3,682,084)
Total nonoperating expenses		(255,237,658)	(225,447,869)
Change in net position (deficit)		36,184,368	44,950,601
Net deficit, beginning of year		(515,793,607)	(560,744,208)
Net deficit, end of year	$	(479,609,239)	(515,793,607)

See accompanying notes to financial statements.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Statements of Cash Flows
Years Ended October 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash receipts from:		
Tenant payments	$ 342,189,818	308,747,786
Miscellaneous receipts	364,648	1,289,559
Total cash receipts from operating activities	342,554,466	310,037,345
Cash payments for:		
Salaries and benefits	(17,771,684)	(17,090,879)
Services and supplies	(25,885,820)	(21,945,459)
Total cash payments for operating activities	(43,657,504)	(39,036,338)
Net cash provided by operating activities	298,896,962	271,001,007
Cash flows from noncapital financing activities:		
Payments from LMDC West Thames St Pedestrian Bridge	1,709,003	8,876,962
Payments to NYC EDC - West Thames St Pedestrian Bridge	(2,581,243)	(12,559,046)
Payments to the City of New York	(196,709,698)	(196,438,157)
Net cash used in noncapital financing activities	(197,581,938)	(200,120,241)
Cash flows from capital and related financing activities:		
Development costs – site improvements and construction	(19,455,573)	(20,608,174)
Capital asset expenditures	(1,046,366)	(634,835)
Receipts for capital projects	533,084	—
Payments for bond issuance costs	(12,344)	(3,812,006)
Auction fees for variable debt	(11,823)	(11,758)
Swap payment made on the 2003 Swap agreement	(9,288,312)	(16,515,397)
Swap interest payments received on the 2003 Swap agreement	316,946	5,004,789
Interest paid on 2009 Senior Revenue Bonds	—	(4,984,619)
Principal paydown on 2009 Senior Revenue Bonds	—	(355,000)
Interest paid on 2013 Senior Revenue Bonds	(12,098,150)	(13,221,900)
Principal paydown on 2013 Senior Revenue Bonds	(24,590,000)	(23,360,000)
Interest paid on 2013 Bonds CDE	—	(10,840,004)
Principal paydown on 2013 Bonds CDE	—	(3,700,000)
Interest paid on 2019 Senior Revenue Bonds	(7,917,148)	—
Interest paid on 2019 Junior Revenue Bonds	(4,651,104)	(1,076,959)
Remarketing fees for Series 2019D	(150,103)	(23,014)
Bond purchase agreement fees for Series 2019D	(1,304,747)	—
Margin rate fees	—	(3,185,927)
Proceeds from 2019 Bonds issuance	—	102,113,563
Payments for 2019 Bonds issuance	—	(52,461,627)
Transfer from Escrow Account for Bond Refunding	—	4,214,509
2009 Senior Revenue Bonds - Build America Bonds refund from US Treasury	—	905,894
Net cash used in capital and related financing activities	(79,675,640)	(42,552,465)
Cash flows from investing activities:		
Interest and realized gains received on investment securities	7,892,576	11,552,913
Maturities and redemptions of investment securities	921,282,583	786,932,813
Purchases of investment securities	(1,000,912,419)	(796,106,172)
Net cash (used in) provided by investing activities	(71,737,260)	2,379,554
(Decrease) increase in cash and cash equivalents	(50,097,876)	30,707,855
Cash and cash equivalents, beginning of year	166,247,060	135,539,205
Cash and cash equivalents, end of year	$ 116,149,184	166,247,060

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Statements of Cash Flows
Years Ended October 31, 2020 and 2019

		2020	2019
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	291,422,026	270,398,470
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for bad debt expense		436,503	1,273,834
Depreciation and amortization		10,867,313	10,556,289
Other		(75,913)	229,324
Changes in operating assets and liabilities:			
Decrease (Increase) in rents and other receivables		996,936	(4,489,185)
(Increase) in other assets		(2,231,446)	(328,909)
(Decrease) in accounts payable and other liabilities		(342,562)	(138,772)
(Decrease) in revenue received in advance		(5,337,105)	(8,481,132)
Increase (Decrease) in OPEB		3,518,412	(5,347,412)
Increase in pension liability		5,898,660	1,067,156
Changes in deferred resources:			
Deferred pension resources		(4,277,496)	(784,534)
Deferred OPEB resources		(1,978,366)	7,045,878
Net cash provided by operating activities	$	298,896,962	271,001,007
Reconciliation to cash and cash equivalents, end of year:			
Bank deposits	$	55,512	42,936
Cash and cash equivalents (note 3(e))		45,387,330	56,878,028
Investments with less than 91-day maturities (note 3(e))		70,706,342	109,326,096
Cash and cash equivalents, end of year	$	116,149,184	166,247,060

See accompanying notes to financial statements.

(1) General

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

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

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

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

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

(2) Description of Project

The Project consists of approximately 92 acres of landfill created, owned, and operated by the Authority (see note 4). The Project's development plan includes approximately 35 acres of parkland and open spaces and provides for the construction, by private developers, of approximately 10.7 million square feet of office space, retail space, a marina, two hotels, a multiplex cinema, museums, three public schools, a community center, a public library, four not-for-profit condos owned by the Authority, and approximately 8,600 residential units (see notes 5, 6, and 7).

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

(3) Summary of Significant Accounting Policies

(a) Financial Reporting

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

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

(b) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Estimates include reserves for doubtful accounts, useful lives of project assets, 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, 2020 and 2019 were capitalized as project assets and were classified as follows:

	Balance at October 31, 2019	Additions	Deletions	Balance at October 31, 2020
Land	$ 83,015,653	—	—	83,015,653
Site improvements	465,537,094	14,176,686	915,264	478,798,516
Residential building and condominiums	137,518,866	4,686,372	—	142,205,238
Total project assets	686,071,613	18,863,058	915,264	704,019,407
Less: accumulated depreciation:				
Site improvements	127,113,644	6,807,912	154,802	133,766,754
Residential building and condominiums	37,001,355	3,316,301	—	40,317,656
Total accumulated depreciation	164,114,999	10,124,213	154,802	174,084,410
Net project assets	$ 521,956,614	8,738,845	760,462	529,934,997

	Balance at October 31, 2018	Additions	Deletions	Balance at October 31, 2019
Land	$ 83,015,653	—	—	83,015,653
Site improvements	441,873,740	23,663,354	—	465,537,094
Residential building and condominiums	137,180,295	338,571	—	137,518,866
Total project assets	662,069,688	24,001,925	—	686,071,613
Less: accumulated depreciation:				
Site improvements	120,484,376	6,629,268	—	127,113,644
Residential building and condominiums	33,787,572	3,213,783	—	37,001,355
Total accumulated depreciation	154,271,948	9,843,051	—	164,114,999
Net project assets	$ 507,797,740	14,158,874	—	521,956,614

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

(d) Revenue from Ground Leases

Revenue from ground leases is recognized as income as such amounts become receivable under the provisions of each lease, except that PILOT and upfront lease payments received in advance of the period to which they apply are deferred and recognized as income during future periods. 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 2020 of $40.7 million, $60 million, $42.5 million, $22.5 million, $33.9 million, $4.75 million and $4 million from residential buildings on Site 22, Site 16/17, Site 3, Site 23, Site 24, Site 2A and Site 13, respectively.

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

(e) Investments

The Authority carries all investments at fair value. Inherent risks that could affect the Authority's ability to provide services and meet its obligations as they become due are reported in accordance with U.S. GAAP. The Authority's permitted investments include: (i) 100% U.S. government guaranteed securities (U.S. Treasury notes, bonds, strips, T-bills, Ginnie Mae securities); (ii) notes, bonds, debentures, and mortgages of U.S. government-sponsored agencies provided that its obligations receive the highest credit rating at the time of purchase from all rating agencies that rate the obligation; (iii) obligations of any corporation organized under the laws of any state in the United States maturing within 270 days provided that such obligations receive the highest rating of two independent rating services (commercial paper); (iv) municipal bonds issued by the State of New York, its counties, towns and cities and New York authorities; and (v) the general obligations of any state provided that such obligations receive the highest rating by at least one rating agency. The Organization maintains its cash in bank accounts that are fully collateralized or backed by the Federal Deposit Insurance Corporation ("FDIC") or letters of credit. All investments held in funds and accounts established in accordance with bond resolutions are held as trust assets by the trustee banks in the Authority's name. Total investments held by the Authority at October 31, 2020 and 2019, 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, 2020			October 31, 2019		
	Cost	Fair value	Weighted average maturity (years) (a)	Cost	Fair value	Weighted average maturity (years) (a)
U.S. Treasury securities:						
Treasury Bills	$ 362,958,734	363,089,845	0.20	$ 343,208,285	344,511,546	0.16
Treasury Bonds	78,024,170	80,306,380	3.45	75,021,743	74,786,480	3.26
Treasury Strips	2,478,639	2,624,746	4.24	343,043	363,566	5.26
Total U.S. Treasury securities	443,461,543	446,020,971		418,573,071	419,661,592	
Commercial paper	19,572,406	19,598,474	0.11	18,042,099	18,227,872	0.01
Federal agency securities	6,398,995	6,408,720	0.13	—	—	—
Federal agency mortgage backed securities	4,031,734	4,187,861	2.91	5,865,363	5,936,683	2.79
Municipal bonds	9,635,082	9,745,913	1.84	10,812,947	10,808,574	1.52
Supra National Agency	14,428,780	14,734,253	2.65	10,275,437	10,306,075	1.09
Total investments	497,528,540	500,696,192	0.87	463,568,917	464,940,796	0.74
Cash and cash equivalents	45,387,330	45,387,330		56,878,028	56,878,028	
Total investments	$ 542,915,870	546,083,522		$ 520,446,945	521,818,824	

(a) Portfolio weighted average effective duration

As of October 31, 2020 and 2019, restricted assets included cash and cash equivalents and investments with less than 91-day maturities amounting to $116,093,672 and $166,204,124 respectively.

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

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

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

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

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

(f) Net Position (Deficit)

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

(g) Bond Insurance Costs

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

(h) Statements of Cash Flows

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

(i) Other Postemployment Benefits

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

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

On August 6, 2019, the Authority refunded its 2013 Series C, 2013 Series D, and 2013 Series E variable-rate Junior Revenue Bonds and issued 2019 Series D and 2019 Series E variable-rate bonds. The interest rates on these bonds were hedged by interest rate swaps, which were bifurcated as of the date of the refunding. As defined by GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"), debt-type instruments (swaps) with market exposure are accounted for by bifurcating the transaction between a borrowing and an embedded derivative. The fair values of each element of the bifurcation can be made by estimating the fair value of the instrument (swaps) less the fair value of the borrowing. GASB 53 requires that associated interest swaps be tested for hedge effectiveness to qualify for the application of hedge accounting. On October 31, 2020, the associated interest swaps were tested and qualified for hedge accounting. Accordingly, the fair value of the interest rate swaps on August 6, 2019 of negative $80 million was recorded as an imputed borrowing and a deferred outflow of resources by the Authority.

These amounts are being amortized on a straight-line basis over the remaining life of the swaps and were $72.3 million and $78.5 million at October 31, 2020 and 2019, respectively. Apart from the imputed borrowing, the interest rate swap agreements, which continue in effect and continue as a hedge, had a negative fair value (from August 6, 2019) of $16.2 million and $747 thousand at October 31, 2020 and 2019, respectively. This negative fair value is recorded as a deferred outflow of resources and a liability on the Authority's statements of net position (deficit).

(k) Fair Value Measurement and Application

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

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

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

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

The fair value measurement of the Organization's assets and liabilities at October 31, 2020 and 2019 were as follows:

October 31, 2020

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
U.S. Treasury Securities:				
Treasury Bills	$ 363,089,845	-	-	363,089,845
Treasury Bonds	80,306,380	-	-	80,306,380
Treasury Strips	2,624,746	-	-	2,624,746
Commercial Paper	-	19,598,474	-	19,598,474
Federal Agency Securities	-	6,408,720	-	6,408,720
Federal Agency Mortgage Backed Securities	-	4,187,861	-	4,187,861
Municipal Bonds	-	9,745,913	-	9,745,913
Supra National Bonds	-	14,734,253	-	14,734,253
Total assets at fair value	$ 446,020,971	54,675,221	-	500,696,192
Liabilities at fair value:				
Interest rate swaps	$ -	-	16,159,650	16,159,650
Total liabilities at fair value	$ -	-	16,159,650	16,159,650

	October 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets at fair value:				
U.S. Treasury Securities:				
Treasury Bills	$ 344,511,546	-	-	344,511,546
Treasury Bonds	74,786,480	-	-	74,786,480
Treasury Strips	363,566	-	-	363,566
Commercial Paper	-	18,227,872	-	18,227,872
Federal Agency Mortgage Backed Securities	-	5,936,683	-	5,936,683
Municipal Bonds	-	10,808,574	-	10,808,574
Supra National Bonds	-	10,306,075	-	10,306,075
Total assets at fair value	$ 419,661,592	45,279,204	-	464,940,796
Liabilities at fair value:				
Interest rate swaps	$ -	-	746,509	746,509
Total liabilities at fair value	$ -	-	746,509	746,509

(l) Tax Abatements

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

The 421a tax abatements for the years ended October 31, 2020 and 2019 were $15.9 million and $19.2 million, respectively.

The 467a tax abatements for the years ended October 31, 2020 and 2019 were $6.8 million and $7.6 million, respectively.

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

All of the Authority's bonds outstanding as of October 31, 2020 (see notes 11, 12 and 13) are governed by the 2003 General Bond Resolution, which states that upon any event of default, the Trustee may, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the outstanding bonds, proceed to protect and enforce the rights of the Bondholders, as the Trustee, shall deem most effectual to protect and enforce such rights. The 2003 General Bond Resolution does not, however, contain any remedial provision for acceleration of bond maturity.

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

(n) New Accounting Pronouncements

GASB Statement No. 87, *Leases*, ("GASB 87") is effective for reporting periods beginning after June 15, 2021. 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 previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority is evaluating the impact of GASB 87 on the Authority's financial statements. The Authority has determined that the impact of implementation may have a material impact on the Authority's statement of net position (deficit) which it plans to implement in April 2022.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, ("GASB 89") is effective for reporting periods beginning after December 15, 2020. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The Authority has determined that GASB 89 does not have an impact on the Authority's financial statements.

GASB Statement No. 90, *Majority Equity Interests*, ("GASB 90") is effective for reporting periods beginning after December 15, 2019. GASB 90 clarifies the accounting and financial reporting requirements for a state or local government's majority equity interest in an organization that remains legally separate after acquisition. The Authority has determined that GASB 90 does not have an impact on the Authority's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, ("GASB 91") is effective for reporting periods beginning after December 15, 2021. The primary objective of GASB 91 is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The Authority has determined that GASB 91 does not have an impact on the Authority's financial statements.

GASB Statement No. 92, *Omnibus 2020*, ("GASB 92"). GASB 92 is generally effective for reporting periods beginning after June 15, 2021. The objective of GASB 92 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority has determined that GASB 92 does not have an impact on the Authority's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, ("GASB 93"). Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate ("IBOR") – most notably, the London Interbank Offered Rate ("LIBOR"). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of GASB 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. However, with the issuance of GASB 95 in May 2020, the effective date of GASB 93 was postponed for one year. The Authority has completed the process of evaluating GASB 93 and implementation is referenced under note 10.

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

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

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

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

(4) Rights of City To Reacquire Project Site

The fee interest in the Project site formerly owned by the City was conveyed to the Authority in the early 1980s for a nominal consideration. The City has the right to reacquire the Project site at any time, subject to the then existing leases, for a nominal consideration after: (a) all notes, bonds, and other indebtedness incurred by the Authority, or for which the Authority's revenues have been pledged, have been repaid or defeased; and (b) satisfaction or provision for payment of its contractual obligations and other contingent liabilities. The City may provide for repayment or defeasance of indebtedness incurred by the Authority under its various bond resolutions. As of October 31, 2020, the City had not expressed its intent regarding its right to reacquire the Project site.

(5) Commercial Development

In 1981, the Authority and Olympia & York Battery Park Company ("O&Y"), an affiliate of Olympia & York Development Limited, entered into a lease, pursuant to which O&Y constructed four buildings, consisting of approximately 8,000,000 square feet of office space and a maximum of 325,000 square feet of retail space. These buildings are collectively known as Brookfield Place ("BP"). In 1983, the lease was replaced with four separate severance leases, one of which was assigned by O&Y to the American Express Company and certain of its affiliates ("American Express"). O&Y has been reorganized as a result of bankruptcy proceedings and has changed its name to Brookfield Financial Properties ("BFP").

In September 2002, BFP acquired an interest in approximately 50% of Brookfield Place 200 Vesey Street from American Express. In November 2013, BFP acquired the lease hold interest in the New York Mercantile Exchange ("NYMEX") lease consisting of approximately 502,000 additional square feet.

As of October 31, 2020, all commercial development leases expire in 2069 and provide for future base rent payments aggregating $1 billion over the lease terms, which includes base rent of $20.4 million per annum from 2021 through 2069 payable by the commercial development leases (see note 7). Annual PILOT is also required to be paid to the Authority based on the assessed value of each building and the tax rate then applicable to real property located in the borough of Manhattan, unless alternative PILOT arrangements are set forth in the ground lease. The City determines the assessed value of each building. Each lessee, or certain authorized tenants of the lessee, has the right to appeal the assessment to the City Tax Commission and bring tax certiorari proceedings in State court to seek reductions in the amounts of such assessments. A number of administrative and judicial appeals on some of the parcels are currently pending for the current and prior tax years. While any such proceedings are pending, the lessee is required to pay PILOT based upon the assessments established by the City. If a lessee is successful in any such proceedings, subsequent PILOT payments to the Authority will be reduced to the extent necessary to offset the prior overpayment of PILOT as a result of the revised assessment.

(6) Residential and Other Development

In 1980, the Authority entered into a lease with a limited profit housing company (the "Housing Company"), which constructed an apartment complex consisting of 1,712 rental apartment units (the "Gateway Project").

In addition to the Gateway Project, the Authority has entered into 30 leases of residential buildings consisting of 8,275 units containing 3,750 condominium and 4,525 rental units, including 115 condominium units in a mixed-use building containing a museum and The Wagner Hotel. All the leases expire in 2069.

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

For lease years subsequent to the first appraisal date, the leases provide for base rent payments, subject to limitations, based upon a percentage of the fair market value of the land, but generally not less than an amount in excess of the highest base rent payable for any lease year ending prior to the first appraisal date. Reappraisal dates occur every 15 years, commencing on the fifteenth anniversary of the first appraisal date. Thirteen leases for residential buildings in the south neighborhood were modified to provide for increased fixed ground rents spread over the first two reappraisal periods. This modification reduced the ground rent increases from the original terms at 6% of fair market value.

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

Certain residential leases also provide for supplemental rental payments, generally through the first appraisal date, which are to be paid if, and only to the extent, the PILOT payments are less than the minimum specified in each lease (see note 7).

The residential leases also provide for payments to the Authority for the operation and maintenance of civic facilities installed by the Authority and, in some cases, of percentage rent based on rentals from commercial facilities.

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

(7) Future Minimum Lease Revenue

The future minimum base rent and other minimum lease payments (including supplemental rent, as applicable, through the first appraisal date (see note 6)) to be received under the ground leases during each of the Authority’s five fiscal years ending from October 31, 2021 through 2025 and through the end of the lease term (thereafter), are as follows (in 000s):

		2021	2022	2023	2024	2025	Thereafter	Total
Commercial development:								
Base rent	$	20,115	20,137	20,137	20,137	20,137	896,827	997,490
Residential developments:								
Gateway project base rent		305	305	308	318	327	1,410	2,973
S. Res. Neighborhood:								
Base rent		20,241	20,807	21,223	21,609	22,006	1,658,881	1,764,767
Other minimum payments		11,216	11,504	11,800	12,105	12,417	68,245	127,287
Subtotal S. Res.		31,457	32,311	33,023	33,714	34,423	1,727,126	1,892,054
N. Res. Neighborhood:								
Base rent		8,923	9,189	9,463	9,743	10,029	715,239	762,586
Other minimum payments		18,100	16,433	17,819	18,990	20,472	414,670	506,484
Subtotal N. Res.		27,023	25,622	27,282	28,733	30,501	1,129,909	1,269,070
Total	$	78,900	78,375	80,750	82,902	85,388	3,755,272	4,161,587

Amounts in the above tabulation do not include PILOT (other than minimum supplemental, incremental or minimum PILOT rent payments under the residential leases) and other payments to be received under the ground leases. These minimum payments will be recorded as revenues (supplemental rents) only to the extent that minimum amounts exceed PILOT revenues due. Contingent payments are also excluded from the above tabulation.

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

The current and noncurrent balance in the funds and accounts established in accordance with the Authority's 2003 General Bond Resolution Funds and held by trustees were as follows at October 31, 2020 and 2019:

		2003 General Bond Resolution Funds			
October 31, 2020		General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
Reserve Fund	$	34,849,096	—	—	34,849,096
Project Operating Fund		8,234,407	—	—	8,234,407
Debt Service Funds		—	44,650,441	23,120,016	67,770,457
Residual Fund		1,095,122	—	—	1,095,122
Pledged Revenue Fund		208,742,343	—	—	208,742,343
	$	252,920,968	44,650,441	23,120,016	320,691,425

As of October 31, 2020, there were in transit 2003 Debt Service Bond Resolution Fund receivables of $384,000. Accordingly, this amount has been included in the bond resolution fund receivables amount in the statement of net position (deficit).

October 31, 2019		2003 General Bond Resolution Funds General Bond Resolution	Senior Bonds	Junior Bonds	Total General Bond Resolution
Reserve Fund	$	33,338,266	—	—	33,338,266
Project Operating Fund		8,489,364	—	—	8,489,364
Debt Service Funds		—	46,645,530	15,086,175	61,731,705
Residual Fund		2,808,077	—	—	2,808,077
Pledged Revenue Fund		181,102,278	—	—	181,102,278
Subordinated Payment Fund		3,348,865	—	—	3,348,865
	$	229,086,850	46,645,530	15,086,175	290,818,555

As of October 31, 2019, there were in transit 2003 Debt Service Bond Resolution Fund payables of $6,887,092. Accordingly, this amount has been included in the bond resolution funds payable amount in the statement of net position (deficit).

In December 2009, as a result of the 2009 Senior Revenue Bonds issuance, funds and accounts were added to implement certain provisions of the 2003 General Bond Resolutions and were held by trustees as follows at October 31, 2020 and 2019:

October 31, 2020		2009 Revenue Bonds 2009A Senior Revenue Bonds	2009B Senior Revenue Bonds	Total 2009 Bonds
Project Costs Fund	$	544,087	82	544,169

October 31, 2019		2009 Revenue Bonds 2009A Senior Revenue Bonds	2009B Senior Revenue Bonds	Total 2009 Bonds
Project Costs Fund	$	686,191	920,775	1,606,966

In October 2013, as a result of the 2013 Senior Revenue Bonds issuance, funds and accounts were added to implement certain provisions of the 2003 General Bond Resolutions and were held by trustees as follows at October 31, 2020 and 2019:

October 31, 2020		2013 Revenue Bonds 2013A Senior Revenue Bonds	2013B Senior Revenue Bonds	Total 2013 Bonds
Project Costs Fund	$	13,296,454	—	13,296,454

October 31, 2019		2013 Revenue Bonds 2013A Senior Revenue Bonds	2013B Senior Revenue Bonds	Total 2013 Bonds
Project Costs Fund	$	14,518,017	—	14,518,017

In August 2019, as a result of the 2019 Senior Revenue Bonds and Junior Revenue Bonds issuances, funds and accounts were added to implement certain provisions of the 2003 General Bond Resolutions and were held by trustees as follows at October 31, 2020 and 2019:

October 31, 2020		2019 Revenue Bonds 2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	2019C Senior Revenue Bonds	Total 2019 Bonds
Cost of Issuance	$	5,628	—	—	5,628
Project Cost Funds		66,128,570	9,161,246	3,552,178	78,841,994
	$	66,134,198	9,161,246	3,552,178	78,847,622

October 31, 2019		2019 Revenue Bonds 2019A Senior Revenue Bonds	2019B Senior Revenue Bonds	2019C Senior Revenue Bonds	Total 2019 Bonds
Cost of Issuance	$	12,496	—	—	12,496
Project Cost Funds		82,034,904	9,586,803	3,516,610	95,138,317
	$	82,047,400	9,586,803	3,516,610	95,150,813

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

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

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

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

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

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

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

(9) Authority Bonds Authorized

The Act, as amended, authorizes the Authority to issue bonds and notes in amounts not to exceed: (a) $300 million outstanding at any one time for the development of the Project; (b) another $150 million for the purpose of financing capital costs in connection with development of the Project area, plus a principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness; (c) $400 million outstanding at any one time for the making of loans to housing companies organized to provide housing within the Project area pursuant to the New York State Private Housing Finance Law; (d) $100 million for the purpose of repaying State appropriations including accrued interest thereon and funding the infrastructure of the Project, plus a principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness; (e) $150 million for the purpose of making a payment to the City, plus the principal amount of bonds and notes issued to fund any related debt service reserve fund and to provide a portion of interest on and costs of issuance related to such indebtedness; and (f) $250 million for the purpose of making a payment to the State of New York. Such authorized amounts exclude bonds and notes issued to refund outstanding bonds and notes.

The Act, as amended, also authorizes the Authority to issue bonds for the purpose of furthering the development of a commodities and futures exchange facility in Battery Park City in an amount not to exceed $110 million, 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, 2020, no bonds were issued for this purpose.

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

The Act, as amended on December 12, 2019, also authorizes the Authority to issue bonds for the purpose of financing capital costs in connection with a program of infrastructure construction, improvements and other capital expenditures for the project area in an aggregate principal amount not to exceed $500 million, plus the funding of any related debt service reserve funds, provide capitalized interest, and to provide for fees and other charges and expenses including any underwriter's discounts, related to the issuance of such bonds or notes.

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

(10) 2003 Interest Rate Exchange Agreements (Swaps)

On October 2, 2003, the Authority executed Swaps with three counterparties. The Swaps were executed in conjunction with the Authority's issuance of $400 million of its 2003 Series C Bonds. The total notional amount of the Swaps was $400 million, which amortize consistent with the original amortization schedule for the 2003 Series C Bonds. The effective date for the Swaps was October 16, 2003, which coincided with the delivery date of the 2003 Series C Bonds. The Authority executed the Swaps in order to effectively convert the variable-rate 2003 Series C Bonds to a net fixed-rate.

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

In return, the counterparties owe the Authority floating-rate interest equal to one-week Securities Industry and Financial Markets Association ("SIFMA") through August 2024, and thereafter 65% one-month LIBOR until maturity. The original notional amounts of the Swaps and the amortization thereof match the original principal amount and amortization schedule of the refunded 2003 Series C Bonds.

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

		Swap Notional Amortization	Interest-rate swaps		
			Payment	Pro-Forma Receipts	Pro-Forma Net payment
Year ended October 31:					
2021	$	5,725,000	(11,721,739)	328,215	(11,393,524)
2022		5,950,000	(11,516,726)	363,370	(11,153,356)
2023		6,150,000	(11,304,250)	427,536	(10,876,714)
2024		6,400,000	(11,083,872)	539,016	(10,544,856)
2025		6,600,000	(10,855,592)	664,293	(10,191,299)
2026 – 2030		144,225,000	(44,986,525)	4,842,844	(40,143,681)
2031 – 2033		161,575,000	(10,388,935)	1,655,311	(8,733,624)
Totals	$	336,625,000	(111,857,639)	8,820,585	(103,037,054)

The above table shows payments based on the Authority's pay-fixed-rate interest rate Swap payment obligation at an effective interest rate of 3.499% to 3.512%, while the Authority's variable-rate receipts are based on the floating rate equal to one-week SIFMA through August 6, 2024, thereafter 65% of one-month LIBOR to maturity, which the counterparties are obligated to pay on a monthly basis.

Although the pro-forma receipts shown are projected based on the latest interest rate at October 31, 2020 (one-week SIFMA and 65% of one-month LIBOR, 0.12% and 0.0780%, respectively), actual receipts will depend on the actual fluctuation of one-week SIFMA and one-month LIBOR.

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

The Authority reduced its basis risk on the Swaps for the five-year period of the amendment to one-week SIFMA, which matches the variable rate on the Series 2019 D Bonds and the Series 2019 E Bonds. Starting in June of 2024, the Swaps floating rate index reverts back to 65% of one-month LIBOR, which may result in additional basis risk.

On August 6, 2019, the Authority refunded its 2013 Series C, 2013 Series D, and 2013 Series E variable-rate Junior Revenue Bonds and issued 2019 Series D and 2019 Series E variable-rate bonds. The interest rates on these bonds were hedged by interest rate swaps, which were bifurcated as of the date of the refunding. As defined by GASB 53, debt-type instruments (swaps) with market exposure are accounted for by bifurcating the transaction between a borrowing and an embedded derivative. The fair values of each element of the bifurcation can be made by estimating the fair value of the instrument (swaps) less the fair value of the borrowing. GASB 53 requires that associated interest swaps be tested for hedge effectiveness to qualify for the application of hedge accounting. On October 31, 2020 and 2019, the associated interest swaps were tested and qualified for hedge accounting. Accordingly, the fair value of the interest rate swaps on August 6, 2019 of negative $80 million was recorded as an imputed borrowing and a deferred outflow of resources by the Authority. These amounts are being amortized on a straight-line basis over the remaining life of the swaps and were $72.3 million and $78.5 million at October 31, 2020 and 2019, respectively. Apart from the imputed borrowing, the interest rate swap agreements, which continue in effect and continue as a hedge, had a negative fair value (from August 6, 2019) of $16.2 million and $747 thousand at October 31, 2020 and 2019, respectively. This negative fair value is recorded as a deferred outflow of resources and a liability on the Authority's statements of net position (deficit).

Debt service on the 2013 and 2019 Bonds and the 2003 Swap agreements (see notes 12 and 13) is secured by and is payable, after satisfaction of certain administrative, operating, and maintenance obligations of the Authority, solely from certain pledged lease revenues and Swap receipts, which are required to be deposited and maintained in the PRF established under the 2003 General Bond Resolution. The PRF, including income and earnings on investments thereof, has been pledged and assigned to a trustee for the benefit of the owners of the 2013 and 2019 Bonds and certain other beneficiaries, as their respective interest may appear. In addition, the 2013 Series A Senior Revenue Bonds are secured by the Reserve Fund established under the 2003 General Bond Resolution. The rights to payment of the 2013 and 2019 Senior Bonds and senior reimbursement obligations are senior to the payment of the 2019 Junior Bonds, junior swap payments, and junior reimbursement obligations from amounts in the PRF. As of each November 1, amounts in the PRF in excess of funding requirements for project operating expenses and debt service, along with certain other unpledged amounts will be transferred into the Residual Fund (see notes 8 and 9).

(11) 2009 Revenue Bonds

On December 22, 2009, the Authority issued $56,600,000 of fixed-rate Senior Revenue Bonds, Series 2009A (Federally Taxable—Build America Bonds) (the "2009 Series A Bonds") and $30,635,000 of fixed-rate Senior Revenue Bonds, Series 2009B (the "2009 Series B Bonds") (see note 17). At October 31, 2020, there were no 2009 Series A Bonds or 2009 Series B Bonds outstanding.

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

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

(12) 2013 Revenue Bonds

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

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

The cumulative unamortized loss on redemption or maturity of bonds, including the unamortized bond insurance costs, collectively totaling $14.5 million and $15.8 million at October 31, 2020 and 2019, respectively, is classified in the statements of net position (deficit) as a deferred outflow of resources and is being amortized over the respective maturity of the corresponding bonds.

As of October 31, 2020, principal and interest payments due on the 2013 Series A Senior Revenue Bonds were as follows:

2013 Series A Senior Revenue Bonds:

	Coupon Rate		Principal amount	Interest
Year ended October 31:				
2021	4.00% - 5.00%	$	25,735,000	10,868,525
2022	4.00% - 5.00%		27,015,000	9,555,350
2023	4.00% - 5.00%		28,380,000	8,178,050
2024	5.00%		29,760,000	6,730,050
2025	5.00%		28,740,000	5,267,550
2026 – 2030	5.00%		73,670,000	11,130,000
2031 – 2032	4.00% - 5.00%		18,730,000	841,575
Totals		$	232,030,000	52,571,100

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

2013 Series C, D, and E Junior Revenue Bonds:

All 2013 Series C, D, and E Junior Revenue Bonds were refunded on August 6, 2019 and, as of that date, are no longer obligations of the Authority.

Special Fund

In September 2003, the Authority entered into an agreement with the City, which supplemented the Settlement Agreement, to provide for the custody of the Special Fund. The Authority established a new Special Fund, funded with $46 million and from the proceeds of the former Special Fund created pursuant to a former 1993 Master Revenue Resolution upon the dissolution of such existing Special Fund in connection with the 2003 refunding of outstanding Authority bonds. The Special Fund may only be used by the Authority, as necessary: (i) to pay debt service obligations of the Authority on its bonds, or (ii) for purposes that are jointly agreed upon between the City and the Authority, as the same may be amended from time to time. Neither the Special Fund nor the monies on deposit from time to time therein may be pledged to secure any obligation pursuant to any Resolutions authorizing additional bonds or other bonds or debt obligations of the Authority.

Income and earnings actually received by or for the account of the Authority from investments of monies on deposit from time to time in the Special Fund shall be treated as revenues. In addition to a $40 million commitment from the Special Fund (see note 20(c)), in November 2013, the Authority entered into an amendment with the City committing up to $5 million dollars of funds held in the Special Fund for the construction of Pier A Plaza project and any balances remaining to flow to the City. As of October 31, 2020, the full $5 million had been used for the construction of Pier A Plaza and the remaining balances were transferred to the City.

(13) 2019 Revenue Bonds

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

On that date, the Authority also issued $300,000,000 of variable-rate Junior Revenue Bonds, Series 2019D (Adjustable Rate Bonds) (the "2019 Series D Bonds"), composed of $150,000,000 of Subseries 2019D-1 and $150,000,000 of Subseries 2019D-2) and sold $150,000,000 of variable-rate Junior Revenue Bonds, Series 2018E (the "2019 Series E Bonds") to a bank.

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

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

As of October 31, 2020, 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

	Coupon Rate	Principal amount	Interest
Year ended October 31:			
2021	—	$ —	3,346,900
2022	—	—	3,346,900
2023	—	—	3,346,900
2024	—	—	3,346,900
2025	—	—	3,346,900
2026 – 2030	—	—	16,734,500
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		$ 72,765,000	86,988,350

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

2019 Series B Senior Revenue Bonds

	Coupon Rate	Principal amount	Interest
Year ended October 31:			
2021	—	$ —	7,318,150
2022	—	—	7,318,150
2023	—	—	7,318,150
2024	—	—	7,318,150
2025	—	—	7,318,150
2026 – 2030	5.00%	810,000	36,550,750
2031 – 2035	5.00%	25,355,000	34,339,375
2036 – 2040	5.00%	93,905,000	22,595,375
2041 – 2045	4.00% - 5.00%	26,440,000	686,725
Totals		$ 146,510,000	130,762,975

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

2019 Series C Senior Revenue Bonds

	Coupon Rate	Principal amount	Interest
Year ended October 31:			
2021	—	$ —	90,321
2022	—	—	90,321
2023	—	—	90,321
2024	—	—	90,321
2025	—	—	90,321
2026 – 2027	2.53%	3,570,000	225,803
Totals		$ 3,570,000	677,408

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

2019 Series D Junior Revenue Bonds:

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

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

2019 Series E Junior Revenue Bonds:

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

As of October 31, 2020, principal and interest payments due on the 2019 Series D and Series E variable-rate bonds were as follows:

	Junior D		Junior E		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ended October 31:						
2021	$ 2,700,000	1,876,822	1,350,000	1,116,791	4,050,000	2,993,613
2022	2,820,000	1,915,519	1,415,000	1,134,409	4,235,000	3,049,928
2023	2,930,000	1,995,220	1,470,000	1,172,459	4,400,000	3,167,679
2024	3,090,000	2,142,551	1,545,000	1,244,265	4,635,000	3,386,816
2025	4,970,000	2,318,724	2,490,000	1,329,315	7,460,000	3,648,039
2026 – 2030	74,700,000	12,764,856	37,335,000	7,115,130	112,035,000	19,879,986
2031 – 2035	112,850,000	9,558,055	56,425,000	5,210,444	169,275,000	14,768,499
2036 – 2039	95,940,000	1,826,092	47,970,000	987,875	143,910,000	2,813,967
Total	$ 300,000,000	34,397,839	150,000,000	19,310,688	450,000,000	53,708,527

The above schedule reflects interest on one-week SIFMA on October 28, 2020 plus applicable fees.

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

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

The $155.4 million of PILOT-related receipts provided for the transfer to the City during the year ended October 31, 2019 was transferred in April 2020. A provision in the amount of $185.0 million has been charged as a nonoperating expense for the year ended October 31, 2020.

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

After meeting that $400 million obligation, an additional amount of up to $200 million is to be distributed by the Authority to a City 421-A affordable housing fund followed by a $261 million distribution to a City pay-as-you-go capital fund. All funds are to be paid as available in the Joint Purpose Fund and there is no time limit or a minimum for the amount that needs to be paid or accrued over time.

As of October 31, 2020, the Authority has made payments totaling $200 million to satisfy the City 421-A fund obligation. In addition, the Authority has provided from operations a total of $256.2 million against the $261 million City pay-as-you-go capital fund obligation, which includes the current year provision of $44.7 million charged to nonoperating expenses for the year ended October 31, 2020.

(15) Rents and Other Receivables

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

		2020	2019
Rents receivable	$	7,771,711	8,835,635
Interest receivable		606,592	598,476
Miscellaneous receivables		108,612	41,626
Total receivables		8,486,915	9,475,737
Less allowance for doubtful accounts		(2,240,375)	(1,803,872)
Net receivables	$	6,246,540	7,671,865

(16) Accounts Payable and Other Liabilities

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

		2020	2019
Amounts due to vendors	$	3,757,274	4,666,885
Contract retention costs		1,156,085	659,816
Accrued bond fees		348,048	327,043
Due to developers		37,416	37,416
Accrued payroll and benefits		978,785	862,943
Total	$	6,277,608	6,554,103

(17) Long-Term Liabilities

The Organization's bonds and other long-term liabilities as of October 31, 2020 and 2019 were comprised of the following obligations:

		October 31, 2019	Additions	Deletions	October 31, 2020	Due within one year
Authority bonds outstanding:						
2013 Revenue Bonds:						
Series 2013A	$	256,620,000	—	24,590,000	232,030,000	25,735,000
Unamortized net premiums		33,980,060	—	2,831,672	31,148,388	—
Subtotal 2013 Bonds		290,600,060	—	27,421,672	263,178,388	25,735,000
2019 Revenue Bonds:						
Series 2019A		72,765,000	—	—	72,765,000	—
Series 2019B		146,510,000	—	—	146,510,000	—
Series 2019C		3,570,000	—	—	3,570,000	—
Series 2019D		300,000,000	—	—	300,000,000	2,700,000
Series 2019E		150,000,000	—	—	150,000,000	1,350,000
Subtotal		672,845,000	—	—	672,845,000	4,050,000
Unamortized net premiums		54,166,590	—	2,517,272	51,649,318	—
Subtotal 2019 Bonds		727,011,590	—	2,517,272	724,494,318	4,050,000
Total bonds outstanding		1,017,611,650	—	29,938,944	987,672,706	29,785,000
Other long-term liabilities:						
OPEB		34,844,588	4,600,142	1,081,730	38,363,000	—
Imputed borrowing		78,534,993	—	6,199,290	72,335,703	—
Fair value of interest rate swap		746,509	15,413,141	—	16,159,650	—
Unearned revenue		278,799,812	4,227,073	9,564,178	273,462,707	60,608,735
Security and other deposits		29,117,220	294,036	—	29,411,256	4,738
Total other long-term liabilities		422,043,122	24,534,392	16,845,198	429,732,316	60,613,473
Total long-term liabilities	$	1,439,654,772	24,534,392	46,784,142	1,417,405,022	90,398,473

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, 2020 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, 2019 and 2018 were comprised of the following obligations:

	October 31, 2018	Additions	Deletions	October 31, 2019	Due within one year
Authority bonds outstanding:					
2009 Revenue Bonds:					
Series 2009A	$ 56,600,000	—	56,600,000	—	—
Series 2009B	28,410,000	—	28,410,000	—	—
Subtotal	85,010,000	—	85,010,000	—	—
Unamortized net premiums	1,165,851	—	1,165,851	—	—
Subtotal 2009 Bonds	86,175,851	—	86,175,851	—	—
2013 Revenue Bonds:					
Series 2013A	279,980,000	—	23,360,000	256,620,000	24,590,000
Series 2013C	206,020,000	—	206,020,000	—	—
Series 2013D	192,225,000	—	192,225,000	—	—
Series 2013E	192,225,000	—	192,225,000	—	—
Subtotal	870,450,000	—	613,830,000	256,620,000	24,590,000
Unamortized net premiums	36,811,731	—	2,831,671	33,980,060	—
Subtotal 2013 Bonds	907,261,731	—	616,661,671	290,600,060	24,590,000
2019 Revenue Bonds:					
Series 2019A	—	72,765,000	—	72,765,000	—
Series 2019B	—	146,510,000	—	146,510,000	—
Series 2019C	—	3,570,000	—	3,570,000	—
Series 2019D	—	300,000,000	—	300,000,000	—
Series 2019E	—	150,000,000	—	150,000,000	—
Subtotal	—	672,845,000	—	672,845,000	—
Unamortized net premiums	—	54,769,179	602,589	54,166,590	—
Subtotal 2019 Bonds	—	727,614,179	602,589	727,011,590	—
Total bonds outstanding	993,437,582	727,614,179	703,440,111	1,017,611,650	24,590,000
Other long-term liabilities:					
OPEB	40,192,000	4,581,344	9,928,756	34,844,588	—
Imputed borrowing	51,222,737	28,791,720	1,479,464	78,534,993	—
Fair value of interest rate swap	—	30,886,269	30,139,760	746,509	—
Unearned revenue	287,280,944	—	8,481,132	278,799,812	53,974,653
Security and other deposits	28,385,856	731,364	—	29,117,220	4,738
Total other long-term liabilities	407,081,537	64,990,697	50,029,112	422,043,122	53,979,391
Total long-term liabilities	$ 1,400,519,119	792,604,876	753,469,223	1,439,654,772	78,569,391

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, 2019 column less the due within one year equals the non-current liabilities total.

(18) Retirement Costs

Plan Descriptions and Benefits Provided

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

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

Benefits

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

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

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

Contributions

The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service.

Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Year		ERS
2020	$	965,189
2019		1,165,323
2018		930,358
	$	3,060,870

At the end of fiscal year 2020, the Authority pre-funded the 2021 required contribution in the amount of $1,036,597 which has been included in deferred outflows of resources in the accompanying financial statements.

At the end of fiscal year 2019, the Authority pre-funded the 2020 required contribution in the amount of $965,189 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, 2020 and 2019, the Authority reported a liability of $7,796,174 and $1,897,514, 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, 2020 and 2019, 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, 2020 and 2019, the Authority's proportion was 0.0294411% and 0.0267810%, respectively.

For the years ended October 31, 2020 and 2019, the Authority recognized pension expense of $2,687,152 and $1,247,811, respectively. At October 31, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

October 31, 2020

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	458,836	
Changes of assumptions		156,978	135,548
Net difference between projected and actual earnings on pension plan investments		3,996,698	
Changes in proportion and differences between LG contributions and proportionate share of contributions		333,823	258,377
LG contributions subsequent to the measurement date		1,036,597	
Total	$	5,982,932	393,925

October 31, 2019

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	373,660	127,377
Changes of assumptions		476,957	
Net difference between projected and actual earnings on pension plan investments			487,007
Changes in proportion and differences between LG contributions and proportionate share of contributions		331,261	221,172
LG contributions subsequent to the measurement date		965,189	
Total	$	2,147,067	835,556

As of October 31, 2020 and 2019, $5,982,932 and $2,147,067 was reported as a deferred outflow of resources, respectively, and $393,925 and $835,556 was reported as a deferred inflow of resources, respectively, including a deferred outflow of resources amounting to $1,036,597 and $965,189 as of October 31, 2020 and 2019, 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:		
2021	$	1,826,265
2022		1,131,839
2023		1,473,329
2024		1,157,574
2025		–
Thereafter		–
	$	5,589,007

Actuarial Assumptions

The total pension liability at the System's year-end of March 31, 2020 and 2019 was determined by using an actuarial valuation as of April 1, 2019 and 2018, with update procedures used to roll forward the total pension liability to the System's year-end of March 31, 2020 and 2019.

Significant actuarial assumptions used in the April 1, 2019 and 2018 valuations were as follows:

<u>2019</u>	
Interest rate	6.8%
Salary scale	
ERS	4.2%
Decrement tables	April 1, 2010 – March 31, 2015
System's Experience	
Inflation rate	2.5%
<u>2018</u>	
Interest rate	7.0%
Salary scale	
ERS	4.2%
Decrement tables	April 1, 2010 – March 31, 2015
System's Experience	
Inflation rate	2.5%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2018. The previous actuarial valuation as of April 1, 2018 used the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the 2019 and 2018 valuations are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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, 2020 and 2019 are summarized below.

March 31, 2020

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	36.00%	4.05%
International Equity	14.00%	6.15%
Private Equity	10.00%	6.75%
Real Estate	10.00%	4.95%
Absolute Return	2.00%	3.25%
Opportunistic Portfolio	3.00%	4.65%
Real Asset	3.00%	5.95%
Bonds, Cash & Mortgages	18.00%	0.75%
Inflation Indexed Bonds	4.00%	0.50%

March 31, 2019

Asset Type	Target Allocation	Long Term Expected Real Rate
Domestic Equity	36.00%	4.55%
International Equity	14.00%	6.35%
Private Equity	10.00%	7.50%
Real Estate	10.00%	5.55%
Absolute Return	2.00%	3.75%
Opportunistic Portfolio	3.00%	5.68%
Real Asset	3.00%	5.29%
Bonds, Cash & Mortgages	18.00%	1.06%
Inflation Indexed Bonds	4.00%	1.25%

Discount Rate

The discount rates used to calculate the total pension liability as of March 31, 2020 and 2019 were 6.8% and 7.0%, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.8% , 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate as of October 31, 2020:

October 31, 2020

		1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Authority's share of the Net Pension Liability (Asset)	$	14,308,181	7,796,174	1,798,589

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate as of October 31, 2019:

October 31, 2019

		1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Authority's share of the Net Pension Liability (Asset)	$	8,296,233	1,897,514	(3,477,864)

Pension plan fiduciary net position

The components of the current-year net pension liability of the System's plan year-end of March 31, 2020 and 2019 were as follows:

(Dollars in Thousands)

		2020 Employees' Retirement System	2019 Employees' Retirement System
Employers' total pension liability	$	194,596,261	189,803,429
Plan net position		(168,115,682)	(182,718,124)
Employers' net pension liability	$	26,480,579	7,085,305
Ratio of plan net position to the employers' total pension liability		86.4%	96.3%

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

(19) Other Postemployment Benefits (OPEB)

(a) Plan Description

The Authority is a participating employer in the New York State Health Insurance Program ("NYSHIP"), which is administered by the State as an agent multiple-employer defined benefit plan.

Under the plan, the Authority provides certain healthcare benefits for eligible retired employees and their dependents under a single-employer noncontributory healthcare plan. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plan and to establish maximum obligations of the plan members to contribute to the plan. The Authority's Board is authorized to establish contribution rates for employees and retirees below those set by Civil Service Law. The Authority's plan states that employees and/or their dependents become eligible for these benefits at 55 years of age when the employee has 10 years of State service. In calculating the 10-year service requirement, all of the employee's service need not be with the Authority, but may be a composite of New York State service elsewhere, with a minimum of 3 years with the Authority. Employees with no prior State service must work a minimum of 10 years before they and their dependents are eligible for the retirement medical benefits. Eligible retirees hired on or after November 1, 2001, contribute 10% of the cost of single coverage and 25% of the cost of dependent coverage for health insurance benefits. The Authority covers 100% of the cost of single and dependent coverage for employees hired before November 1, 2001. A vestee is an Authority employee vested as a member of the retirement system administered by the State, has withdrawn from State service after meeting the Authority's minimum service requirement, but has not met the age requirement for continuing health insurance. As of October 31, 2020, 185 participants, including 131 employees and 54 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, 2020 and 2019 and in accordance with GASB Statement 75, updated actuarial valuations were completed for the valuations dated November 1, 2018. This is the date as of which the actuarial valuations were performed. The measurement date is October 31, 2019. This is the date as of which the OPEB liabilities were determined.

(b) Funding

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

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

The total OPEB liability is the portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 75. The total annual OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date in accordance with the parameters of GASB 75. As of October 31, 2020 and 2019, $38,363,000 and $34,844,588, respectively, was reported for the Authority's total OPEB liability.

For the years ended October 31, 2020 and 2019, the Authority recognized OPEB expenses of $2,609,378 and $2,563,285, respectively.

Deferred inflows of resources and deferred outflows of resources are a portion of changes in total OPEB liability that is not immediately recognized in OPEB expense. These changes include differences between expected and actual experience, changes in assumptions and differences between expected and actual earnings on plan investments. As of October 31, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

October 31, 2020

		Deferred Inflows of Resources	Deferred Outflows of Resources
Changes of assumptions	$	7,077,953	2,160,330
Contributions subsequent to measurement date		-	1,069,333
	$	7,077,953	3,229,663

October 31, 2019

		Deferred Inflows of Resources	Deferred Outflows of Resources
Changes of assumptions	$	8,156,163	1,464,688
Contributions subsequent to measurement date		-	864,819
	$	8,156,163	2,329,507

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

Year ended October 31:		
2021	$	374,082
2022		(695,251)
2023		(695,251)
2024		(695,251)
2025		(891,722)
Thereafter		(1,244,897)
	$	(3,848,290)

(d) Actuarial Methods and Assumptions

The Authority's total OPEB liabilities were determined by an actuarial valuation as of November 1, 2018, using the following actuarial assumptions:

Significant actuarial assumptions used in the November 1, 2018 valuation were as follows:

2018

Inflation rate	2.30%
Salary scale	3.30%
Health cost	Getzen Model Version 2019
Mortality	RPH-2006 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.

2018

The annual healthcare cost trend rates vary based on type of health coverage valued; initial trends start at 5.5% to 6.6%, declining approximately 0.1% each year to an ultimate trend rate of 4.6%. 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, 2020 and 2019 were 3.67% and 3.85%, respectively. The discount rate is a single rate of return, when applied to all projected benefit payments equal to the sum of:

(1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return. (2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate. The Municipal Bond Rate is a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

The following represents the Authority's total OPEB liability estimated as of October 31, 2020, calculated using the discount rate of 3.67%, as well as the what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.67 percent) or 1-percentage-point higher (4.67 percent) than the current rate:

October 31, 2020

		1% Decrease 2.67%	Current Discount 3.67%	1% Increase 4.67%
Total OPEB Liability	$	45,347,000	38,363,000	32,835,000

The following represents the Authority's total OPEB liability estimated as of October 31, 2019, calculated using the discount rate of 3.85%, as well as the what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.85 percent) or 1-percentage-point higher (4.85 percent) than the current rate:

October 31, 2019

		1% Decrease 2.85%	Current Discount 3.85%	1% Increase 4.85%
Total OPEB Liability	$	41,110,536	34,844,588	29,875,435

The following represents the Authority's total OPEB liability estimated as of October 31, 2020, 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, 2020

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$	31,840,000	38,363,000	46,957,000

The following represents the Authority's total OPEB liability estimated as of October 31, 2019, 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, 2019

		1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$	29,259,752	34,844,588	42,140,229

(g) OPEB Status and Funding Progress

The Authority's OPEB obligation and the funded status of the plan as of October 31, 2020 is as follows: The following is a list of significant changes in the actuarial assumptions from the prior year:

OPEB Balance at November 1, 2019	$	34,844,588
Changes for the period:		
Service cost		1,947,427
Interest		1,399,202
Benefit payments		(906,819)
Changes in assumptions		1,078,602
Net changes		3,518,412
OPEB Balance at October 31, 2020	$	38,363,000

The discount rate decreased from 3.85% to 3.67%.

Healthcare related assumptions (NYSHIP premiums, per capita claims costs and healthcare trend) were updated from 2017 to 2019.

The mortality improvement scale was updated from MP-2016 to MP-2018.

The Authority's OPEB obligation and the funded status of the plan as of October 31, 2019 is as follows:

OPEB Balance at November 1, 2018	$	40,192,000
Changes for the period:		
Service cost		2,103,000
Interest		1,401,514
Benefit payments		(925,199)
Changes in assumptions		(7,926,727)
Net changes		(5,347,412)
OPEB Balance at October 31, 2019	$	34,844,588

Corporate assets held at October 31, 2020 and 2019 in separate corporate OPEB accounts for the exclusive purpose of paying OPEB obligations were approximately $42.8 million and $40.6 million, respectively. The Authority has segregated assets for the exclusive purpose of paying OPEB obligations, the funds cannot be irrevocably dedicated for that purpose and therefore cannot be held as a funded OPEB asset. The OPEB assets are therefore included in the statements of net position (deficit) within the other corporate designated, escrowed, and postemployment benefit funds financial statement classification.

(20) Commitments and Other Matters

(a) The Authority has entered into construction and other related contracts, having unexpended balances aggregating $56.8 million as of October 31, 2020.

(b) The Authority rents office space in Brookfield Place 200 Liberty Street, community meeting space, field offices and maintenance space in condominium buildings in Battery Park City as well as an offsite storage facility. Total rent expense amounted to $1.3 million for each of the years ended October 31, 2020 and 2019, respectively. The future minimum lease payments are as follows:

Year ended October 31:		
2021	$	893,287
2022		210,600
2023		204,600
2024		204,600
2025		204,600
Thereafter		68,200
Total minimum payments required	$	1,785,887

(c) 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 (see note 12) to the PANYNJ for the pedestrian underpass under Route 9A. The concourse will connect the Winter Garden (on the west, at the edge of Battery Park City) and the World Trade Center site on the east. As of October 31, 2020, the Authority had disbursed a total sum of $39,130,619 to the PANYNJ.

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

(21) Battery Park City Parks Conservancy

The Conservancy was incorporated on December 2, 1987 as a New York not-for-profit corporation. The Authority, as sole member of the Conservancy, designated the Authority's members to serve as the Conservancy's Board of Directors. The Conservancy was formed by the Authority to comply with certain requirements of agreements between the Authority and the City pursuant to which the Authority is obligated to maintain and repair the parks and open spaces in and around Battery Park City's residential areas. In March 1988, the Authority entered into a management agreement with the Conservancy, which authorized the Conservancy to undertake all responsibilities, related to the operation, maintenance, and repair of such parks and open spaces. For each of the fiscal years ended October 31, 2020 and 2019, the Authority paid the Conservancy $581 thousand and $1.1 million, respectively for services, which are included in the Authority's operating expenses. This is eliminated in the blending of the Conservancy's financial statements into the Authority's financial statements (see Other Supplementary Information – Combining Statement of Net Position (Deficit)).

(22) Litigation

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

(23) COVID-19

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

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)

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

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

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

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

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

Schedule of Employer Contributions

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 965	$ 1,165	$ 930	$ 713	$ 518	$ 710	$ 605	$ 541	$ 527	$ 624
Contribution in relation to the actuarially determined contribution	$ 965	$ 1,165	$ 930	$ 713	$ 518	$ 710	$ 605	$ 541	$ 527	$ 624
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Authority's covered payroll	$ 9,287	$ 8,735	$ 8,071	$ 8,054	$ 5,664	$ 3,843	$ 4,427	$ 4,220	$ 3,061	$ 4,589
Contribution as a percentage of covered payroll	10.39%	13.34%	11.52%	8.85%	9.15%	18.48%	13.67%	12.82%	17.22%	13.60%

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 Lability and Related Ratios
Last 10 Fiscal Years * (Unaudited)

(Dollar amounts in thousands)

Schedule of Changes in Total OPEB Liability and Related Ratios

		2020	2019	2018
Total OPEB Liability				
Service cost	$	1,947	2,103	2,137
Interest cost		1,399	1,402	1,288
Effect of economic/demographic gains or (losses)		1,079	(7,927)	(1,260)
Benefit Payments		(907)	(925)	(896)
Net Change in Total OPEB Liability		3,518	(5,347)	1,269
Total OPEB Liability - Beginning		34,845	40,192	38,923
Total OPEB Liability - Ending	$	38,363	34,845	40,192
Covered employee payroll	$	10,432	9,943	9,406
Total OPEB Liability as a Percentage of Covered Employee Payroll		368%	350%	427%

Notes to Schedule:

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

Changes of assumptions

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

Year Ended	Percentage
2020	3.67%
2019	3.85%
2018	3.35%

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

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2020

Assets		Battery Park City Authority	Battery Park City Parks Conservancy	Total
Current assets:				
Bank deposits	$	21,120	34,392	55,512
Investments		14,290,520	—	14,290,520
Restricted assets:				
Rents and other receivables (net of allowance for doubtful accounts of $2,240,375)		6,246,540	—	6,246,540
2003 General Bond Resolution Funds		285,842,329	—	285,842,329
2009 Revenue Bond Resolution Funds		380,000	—	380,000
2013 Revenue Bond Resolution Funds		7,448,805	—	7,448,805
2019 Revenue Bond Resolution Funds		43,862,301	—	43,862,301
Bond resolution fund receivables		384,000	—	384,000
Corporate-designated, escrowed, and OPEB funds		2,330,704	—	2,330,704
Total current assets		360,806,319	34,392	360,840,711
Noncurrent assets:				
Restricted assets:				
2003 General Bond Resolution Funds		34,849,096	—	34,849,096
2009 Revenue Bond Resolution Funds		164,169	—	164,169
2013 Revenue Bond Resolution Funds		5,847,649	—	5,847,649
2019 Revenue Bond Resolution Funds		34,985,321		34,985,321
Residential lease required funds		29,066,447	—	29,066,447
Corporate-designated, escrowed, and OPEB funds		87,016,181	—	87,016,181
Battery Park City project assets – at cost, less accumulated depreciation		529,934,997	—	529,934,997
Other assets		7,228,870	—	7,228,870
Total noncurrent assets		729,092,730	—	729,092,730
Total assets		1,089,899,049	34,392	1,089,933,441
Deferred Outflows of Resources				
Deferred pension outflows		5,982,932	—	5,982,932
Deferred OPEB outflows		3,229,663	—	3,229,663
Accumulated change in fair value of interest rate swaps		16,159,650	—	16,159,650
Unamortized loss on extinguishment of bonds		14,532,049	—	14,532,049
Deferred costs of refunding, less accumulated amortization of $7,678,755		72,335,703	—	72,335,703
Total deferred outflows of resources		112,239,997	—	112,239,997
Total assets and deferred outflows of resources	$	1,202,139,046	34,392	1,202,173,438

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2020

Liabilities		**Battery Park City Authority**	**Battery Park City Parks Conservancy**	**Total**
Current liabilities:				
Accrued interest on bonds	$	12,203,688	—	12,203,688
Accounts payable and other liabilities		6,277,608	—	6,277,608
Accrued pension payable		7,796,174	—	7,796,174
Due to the City of New York		185,036,280	—	185,036,280
Due to the City of New York - 2010 Agreement		44,722,646	—	44,722,646
Due to the Port Authority of New York & New Jersey		869,381	—	869,381
Unearned revenue:				
PILOT revenue		44,482,150	—	44,482,150
Base rent and other revenue		16,126,585	—	16,126,585
Security and other deposits		4,738	—	4,738
2013 Revenue Bonds		25,735,000	—	25,735,000
2019 Revenue Bonds		4,050,000	—	4,050,000
Total current liabilities		347,304,250	—	347,304,250
Noncurrent liabilities:				
Unearned revenue:				
Base rent and other revenue		212,853,972	—	212,853,972
Security and other deposits		29,406,518	—	29,406,518
OPEB		38,363,000	—	38,363,000
Fair value of interest rate swaps		16,159,650	—	16,159,650
Imputed borrowing		72,335,703	—	72,335,703
Bonds outstanding:				
2013 Revenue Bonds, less accumulated amortization of $20,076,664		237,443,388	—	237,443,388
2019 Revenue Bonds, less accumulated amortization of $3,119,861		720,444,318	—	720,444,318
Total noncurrent liabilities		1,327,006,549	—	1,327,006,549
Total liabilities		1,674,310,799	—	1,674,310,799
Deferred Inflows of Resources				
Deferred pension inflows		393,925	—	393,925
Deferred OPEB inflows		7,077,953	—	7,077,953
Total deferred inflows of resources		7,471,878	—	7,471,878
Net Position (Deficit)				
Net investment in capital assets		15,270,063	—	15,270,063
Restricted:				
Debt service		51,237,934	—	51,237,934
Under bond resolutions and other agreements		2,020,894	—	2,020,894
Unrestricted (deficit)		(548,172,522)	34,392	(548,138,130)
Total net position (deficit)		(479,643,631)	34,392	(479,609,239)
Total liabilities, deferred inflows of resources and net position (deficit)	$	1,202,139,046	34,392	1,202,173,438

See accompanying independent auditors' report.

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2019

Assets	**Battery Park City Authority**	**Battery Park City Parks Conservancy**	**Total**
Current assets:			
Bank deposits	$ 13,435	29,501	42,936
Investments	17,347,836	—	17,347,836
Restricted assets:			
Rents and other receivables (net of allowance for doubtful accounts of $1,803,872)	7,671,865	—	7,671,865
2003 General Bond Resolution Funds	257,480,288	—	257,480,288
2009 Revenue Bond Resolution Funds	1,345,342	—	1,345,342
2013 Revenue Bond Resolution Funds	10,413,173	—	10,413,173
2019 Revenue Bond Resolution Funds	55,397,072		55,397,072
Corporate-designated, escrowed, and OPEB funds	1,484,830	—	1,484,830
Total current assets	351,153,841	29,501	351,183,342
Noncurrent assets:			
Restricted assets:			
2003 General Bond Resolution Funds	33,338,267	—	33,338,267
2009 Revenue Bond Resolution Funds	261,624	—	261,624
2013 Revenue Bond Resolution Funds	4,104,844	—	4,104,844
2019 Revenue Bond Resolution Funds	39,753,741		39,753,741
Residential lease required funds	29,117,119	—	29,117,119
Corporate-designated, escrowed, and OPEB funds	71,774,688	—	71,774,688
Battery Park City project assets – at cost, less accumulated depreciation	521,956,614	—	521,956,614
Other assets	4,732,034	37,392	4,769,426
Total noncurrent assets	705,038,931	37,392	705,076,323
Total assets	1,056,192,772	66,893	1,056,259,665
Deferred Outflows of Resources			
Deferred pension outflows	2,147,067	—	2,147,067
Deferred OPEB outflows	2,329,507	—	2,329,507
Accumulated change in fair value of interest rate swaps	746,509	—	746,509
Unamortized loss on extinguishment of bonds	15,830,769	—	15,830,769
Deferred costs of refunding, less accumulated amortization of $1,479,464	78,534,994	—	78,534,994
Total deferred outflows of resources	99,588,846	—	99,588,846
Total assets and deferred outflows of resources	$ 1,155,781,618	66,893	1,155,848,511

(Continued)

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
(A Component Unit of the State of New York)
Other Supplementary Information – Combining Statement of Net Position (Deficit)
October 31, 2019

Liabilities		Battery Park City Authority	Battery Park City Parks Conservancy	Total
Current liabilities:				
Accrued interest on bonds	$	10,074,623	—	10,074,623
Accounts payable and other liabilities		6,484,526	69,577	6,554,103
Accrued pension payable		1,897,514	—	1,897,514
Due to the City of New York		155,389,471	—	155,389,471
Due to the City of New York - 2010 Agreement		41,323,443	—	41,323,443
Due to the Port Authority of New York & New Jersey		869,381	—	869,381
Unearned revenue:				
PILOT revenue		40,995,851	—	40,995,851
Base rent and other revenue		12,978,802	—	12,978,802
Security and other deposits		4,738	—	4,738
2013 Revenue Bonds		24,590,000	—	24,590,000
Bond resolution fund payables		6,887,092	—	6,887,092
Total current liabilities		301,495,441	69,577	301,565,018
Noncurrent liabilities:				
Unearned revenue:				
Base rent and other revenue		224,825,159	—	224,825,159
Security and other deposits		29,112,482	—	29,112,482
OPEB		34,844,588	—	34,844,588
Fair value of interest rate swaps		746,509	—	746,509
Imputed borrowing		78,534,993	—	78,534,993
Bonds outstanding:				
2013 Revenue Bonds, less accumulated amortization of $17,244,992		266,010,060	—	266,010,060
2019 Revenue Bonds, less accumulated amortization of $602,589		727,011,590	—	727,011,590
Total noncurrent liabilities		1,361,085,381	—	1,361,085,381
Total liabilities		1,662,580,822	69,577	1,662,650,399
Deferred Inflows of Resources				
Deferred pension inflows		835,556	—	835,556
Deferred OPEB inflows		8,156,163	—	8,156,163
Total deferred inflows of resources		8,991,719	—	8,991,719
Net Position (Deficit)				
Net investment in capital assets		9,365,512	—	9,365,512
Restricted:				
Debt service		47,462,490	—	47,462,490
Under bond resolutions and other agreements		9,039,196	—	9,039,196
Unrestricted (deficit)		(581,658,121)	(2,684)	(581,660,805)
Total net position (deficit)		(515,790,923)	(2,684)	(515,793,607)
Total liabilities, deferred inflows of resources and net position (deficit)	$	1,155,781,618	66,893	1,155,848,511

See accompanying independent auditors' report.

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

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

Year Ended October 31, 2020

	Battery Park City Authority	**Battery Park City Parks Conservancy**	**Eliminations**	**Total**
Operating revenues:				
Revenues from ground leases:				
Base rent	$ 63,116,514	—	—	63,116,514
Supplemental rent	880,724	—	—	880,724
Payments in lieu of real estate taxes	271,007,680	—	—	271,007,680
Civic facilities payments and other	13,351,831	581,452	(581,452)	13,351,831
Total operating revenues	348,356,749	581,452	(581,452)	348,356,749
Operating expenses:				
Wages and related benefits	18,485,029	—	—	18,485,029
OPEB	2,609,378	—	—	2,609,378
Other operating and administrative expenses	25,021,127	533,328	(581,452)	24,973,003
Depreciation of project assets	10,124,213	—	—	10,124,213
Other depreciation and amortization	732,052	11,048	—	743,100
Total operating expenses	56,971,799	544,376	(581,452)	56,934,723
Operating income	291,384,950	37,076	—	291,422,026
Nonoperating revenues (expenses):				
Investment income on funds relating to:				
2003 Revenue Bonds	1,243,753	—	—	1,243,753
Corporate-designated, escrowed, and OPEB funds	1,328,832	—	—	1,328,832
Realized and unrealized gains	7,022,914	—	—	7,022,914
Loss on project assets	(760,462)	—	—	(760,462)
Interest expense relating to:				
2003 Swap agreements – net expense	(9,314,163)	—	—	(9,314,163)
2003 Revenue Bonds	(11,823)	—	—	(11,823)
2013 Revenue Bonds	(8,676,728)	—	—	(8,676,728)
2019 Revenue Bonds	(13,899,887)	—	—	(13,899,887)
Loss on extinguishment from debt	(1,298,720)	—	—	(1,298,720)
Bond issuance costs	(12,344)	—	—	(12,344)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts	(185,033,064)	—	—	(185,033,064)
Provision for transfer to the City of New York per 2010 agreement	(44,722,646)	—	—	(44,722,646)
Provision for transfer to the City of New York - West Thames St Pedestrian Bridge	(1,103,320)			(1,103,320)
Total nonoperating expenses	(255,237,658)	—	—	(255,237,658)
Change in net position (deficit)	36,147,292	37,076	—	36,184,368
Net position (deficit), beginning of year	(515,790,923)	(2,684)	—	(515,793,607)
Net position (deficit), end of year	$ (479,643,631)	34,392	—	(479,609,239)

See accompanying independent auditors' report.

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

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

Year Ended October 31, 2019

		Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Operating revenues:					
Revenues from ground leases:					
Base rent	$	61,976,552	—	—	61,976,552
Supplemental rent		1,321,086	—	—	1,321,086
Payments in lieu of real estate taxes		245,649,054	—	—	245,649,054
Civic facilities payments and other		15,644,134	1,125,000	(1,125,000)	15,644,134
Total operating revenues		324,590,826	1,125,000	(1,125,000)	324,590,826
Operating expenses:					
Wages and related benefits		16,734,791	—	—	16,734,791
OPEB		2,563,285	—	—	2,563,285
Other operating and administrative expenses		24,319,608	1,143,383	(1,125,000)	24,337,991
Depreciation of project assets		9,843,050	—	—	9,843,050
Other depreciation and amortization		680,978	32,261	—	713,239
Total operating expenses		54,141,712	1,175,644	(1,125,000)	54,192,356
Operating income		270,449,114	(50,644)	—	270,398,470
Nonoperating revenues (expenses):					
Investment income on funds relating to:					
2003 Revenue Bonds		1,689,182	—	—	1,689,182
Corporate-designated, escrowed, and OPEB funds		1,446,145	—	—	1,446,145
Realized and unrealized gains		12,857,425	—	—	12,857,425
Interest expense relating to:					
2003 Swap agreements – net expense		(6,559,659)	—	—	(6,559,659)
2003 Revenue Bonds		(11,758)	—	—	(11,758)
2009 Revenue Bonds		(2,839,568)	—	—	(2,839,568)
2013 Revenue Bonds		(22,554,175)	—	—	(22,554,175)
2019 Revenue Bonds		(3,947,574)	—	—	(3,947,574)
Loss on extinguishment from debt		(1,319,383)	—	—	(1,319,383)
Bond issuance costs		(3,813,506)	—	—	(3,813,506)
Provision for transfer to the City of New York of payments in lieu of real estate taxes and other amounts		(155,386,254)	—	—	(155,386,254)
Provision for transfer to the City of New York per 2010 agreement		(41,326,660)	—	—	(41,326,660)
Provision for transfer to the City of New York - West Thames St Pedestrian Bridge		(3,682,084)			(3,682,084)
Total nonoperating expenses		(225,447,869)	—	—	(225,447,869)
Change in net position (deficit)		45,001,245	(50,644)	—	44,950,601
Net position (deficit), beginning of year		(560,792,168)	47,960	—	(560,744,208)
Net position (deficit), end of year	$	(515,790,923)	(2,684)	—	(515,793,607)

See accompanying independent auditors' report.

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

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2020

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Cash flows from operating activities:				
Cash receipts from:				
Tenant payments	$ 342,189,818	—	—	342,189,818
Receipts from the Authority	—	600,000	(600,000)	—
Miscellaneous receipts	364,648	—	—	364,648
Total cash receipts from operating activities	342,554,466	600,000	(600,000)	342,554,466
Cash payments for:				
Salaries and benefits	(17,771,684)	—	—	(17,771,684)
Services and supplies	(25,890,711)	(595,109)	600,000	(25,885,820)
Total cash payments for operating activities	(43,662,395)	(595,109)	600,000	(43,657,504)
Net cash provided by operating activities	298,892,071	4,891	—	298,896,962
Cash flows from noncapital financing activities:				
Payments from LMDC West Thames St Pedestrian Bridge	1,709,003	—	—	1,709,003
Payments to NYC EDC - West Thames St Pedestrian Bridge	(2,581,243)	—	—	(2,581,243)
Payments to the City of New York	(196,709,698)	—	—	(196,709,698)
Net cash used in noncapital financing activities	(197,581,938)	—	—	(197,581,938)
Cash flows from capital and related financing activities:				
Development costs – site improvements and construction	(19,455,573)	—	—	(19,455,573)
Capital asset expenditures	(1,046,366)	—	—	(1,046,366)
Receipts for capital projects	533,084	—	—	533,084
Payments for bond issuance costs	(12,344)	—	—	(12,344)
Auction fees for variable debt	(11,823)	—	—	(11,823)
Swap payment made on the 2003 Swap agreement	(9,288,312)	—	—	(9,288,312)
Swap interest payments received on the 2003 Swap agreement	316,946	—	—	316,946
Interest paid on 2013 Senior Revenue Bonds	(12,098,150)	—	—	(12,098,150)
Principal paydown on 2013 Senior Revenue Bonds	(24,590,000)	—	—	(24,590,000)
Interest paid on 2019 Senior Revenue Bonds	(7,917,148)			(7,917,148)
Interest paid on 2019 Junior Revenue Bonds	(4,651,104)	—	—	(4,651,104)
Remarketing fees for Series 2019D	(150,103)	—	—	(150,103)
Bond purchase agreement fees for Series 2019D	(1,304,747)	—	—	(1,304,747)
Net cash used in capital and related financing activities	(79,675,640)	—	—	(79,675,640)
Cash flows from investing activities:				
Interest and realized gains received on investment securities	7,892,576	—	—	7,892,576
Maturities and redemptions of investment securities	921,282,583	—	—	921,282,583
Purchases of investment securities	(1,000,912,419)	—	—	(1,000,912,419)
Net cash used in investing activities	(71,737,260)	—	—	(71,737,260)
(Decrease) increase in cash and cash equivalents	(50,102,767)	4,891	—	(50,097,876)
Cash and cash equivalents, beginning of year	166,217,559	29,501	—	166,247,060
Cash and cash equivalents, end of year	$ 116,114,792	34,392	—	116,149,184

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

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2020

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 291,384,950	37,076	—	291,422,026
Adjustments to reconcile operating income to net cash provided by operating activities:				
Provision for bad debt expense	436,503	—	—	436,503
Depreciation and amortization	10,856,265	11,048	—	10,867,313
Other	(75,913)	—	—	(75,913)
Changes in operating assets and liabilities:				
Decrease in rents and other receivables	996,936	—	—	996,936
(Increase) decrease in other assets	(2,257,790)	26,344	—	(2,231,446)
(Decrease) in accounts payable and other liabilities	(272,985)	(69,577)	—	(342,562)
(Decrease) in revenue received in advance	(5,337,105)	—	—	(5,337,105)
Increase in OPEB	3,518,412	—	—	3,518,412
Increase in pension liability	5,898,660	—	—	5,898,660
Changes in deferred resources:				
Deferred pension resources	(4,277,496)	—	—	(4,277,496)
Deferred OPEB resources	(1,978,366)	—	—	(1,978,366)
Net cash provided by operating activities	$ 298,892,071	4,891	—	298,896,962
Reconciliation to cash and cash equivalents, end of year:				
Bank deposits	$ 21,120	34,392	—	55,512
Cash and cash equivalents	45,387,330	—	—	45,387,330
Investments with less than 91-day maturities	70,706,342	—	—	70,706,342
Cash and cash equivalents, end of year	$ 116,114,792	34,392	—	116,149,184

See accompanying independent auditors' report.

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

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2019

	Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Cash flows from operating activities:				
Cash receipts from:				
Tenant payments	$ 308,747,786	—	—	308,747,786
Receipts from the Authority	—	1,125,000	(1,125,000)	—
Miscellaneous receipts	1,289,559	—	—	1,289,559
Total cash receipts from operating activities	310,037,345	1,125,000	(1,125,000)	310,037,345
Cash payments for:				
Salaries and benefits	(17,090,879)	—	—	(17,090,879)
Services and supplies	(21,974,310)	(1,096,149)	1,125,000	(21,945,459)
Total cash payments for operating activities	(39,065,189)	(1,096,149)	1,125,000	(39,036,338)
Net cash provided by operating activities	270,972,156	28,851	—	271,001,007
Cash flows from noncapital financing activities:				
Payments from LMDC West Thames St Pedestrian Bridge	8,876,962	—	—	8,876,962
Payments to NYC EDC - West Thames St Pedestrian Bridge	(12,559,046)	—	—	(12,559,046)
Payments to the City of New York	(196,438,157)	—	—	(196,438,157)
Net cash used in noncapital financing activities	(200,120,241)	—	—	(200,120,241)
Cash flows from capital and related financing activities:				
Development costs – site improvements and construction	(20,608,174)	—	—	(20,608,174)
Capital asset expenditures	(634,835)	—	—	(634,835)
Payments for bond issuance costs	(3,812,006)	—	—	(3,812,006)
Auction fees for variable debt	(11,758)	—	—	(11,758)
Swap payment made on the 2003 Swap agreement	(16,515,397)	—	—	(16,515,397)
Swap interest payments received on the 2003 Swap agreement	5,004,789	—	—	5,004,789
Interest paid on 2009 Senior Revenue Bonds	(4,984,619)	—	—	(4,984,619)
Principal paydown on 2009 Senior Revenue Bonds	(355,000)	—	—	(355,000)
Interest paid on 2013 Senior Revenue Bonds	(13,221,900)	—	—	(13,221,900)
Principal paydown on 2013 Senior Revenue Bonds	(23,360,000)	—	—	(23,360,000)
Interest paid on 2013 Bonds CDE	(10,840,004)	—	—	(10,840,004)
Principal paydown on 2013 Bonds CDE	(3,700,000)	—	—	(3,700,000)
Interest paid on 2019 Junior Revenue Bonds	(1,076,959)	—	—	(1,076,959)
Remarketing fees for Series 2019D	(23,014)	—	—	(23,014)
Margin rate fees	(3,185,927)	—	—	(3,185,927)
Proceeds from 2019 Bonds issuance	102,113,563	—	—	102,113,563
Payments for 2019 Bonds issuance	(52,461,627)	—	—	(52,461,627)
Transfer from Escrow Account for Bond Refunding	4,214,509	—	—	4,214,509
2009 Senior Revenue Bonds - Build America Bonds refund from US Treasury	905,894	—	—	905,894
Net cash used in capital and related financing activities	(42,552,465)	—	—	(42,552,465)
Cash flows from investing activities:				
Interest and realized gains received on investment securities	11,552,913	—	—	11,552,913
Maturities and redemptions of investment securities	786,932,813	—	—	786,932,813
Purchases of investment securities	(796,106,172)	—	—	(796,106,172)
Net cash provided by investing activities	2,379,554	—	—	2,379,554
Increase in cash and cash equivalents	30,679,004	28,851	—	30,707,855
Cash and cash equivalents, beginning of year	135,538,555	650	—	135,539,205
Cash and cash equivalents, end of year	$ 166,217,559	29,501	—	166,247,060

(Continued)

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

Other Supplementary Information – Combining Statement of Cash Flows

Year Ended October 31, 2019

		Battery Park City Authority	Battery Park City Parks Conservancy	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	$	270,449,114	(50,644)	—	270,398,470
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Provision for bad debt expense		1,273,834	—	—	1,273,834
Depreciation and amortization		10,524,028	32,261	—	10,556,289
Other		229,324	—	—	229,324
Changes in operating assets and liabilities:					
(Increase) in rents and other receivables		(4,489,185)	—	—	(4,489,185)
(Increase) in other assets		(328,909)	—	—	(328,909)
(Decrease) increase in accounts payable and other liabilities		(186,006)	47,234	—	(138,772)
(Decrease) in revenue received in advance		(8,481,132)	—	—	(8,481,132)
(Decrease) in OPEB		(5,347,412)	—	—	(5,347,412)
Increase in pension liability		1,067,156	—	—	1,067,156
Changes in deferred resources:					
Deferred pension resources		(784,534)	—	—	(784,534)
Deferred OPEB resources		7,045,878	—	—	7,045,878
Net cash provided by operating activities	$	270,972,156	28,851	—	271,001,007
Reconciliation to cash and cash equivalents, end of year:					
Bank deposits	$	13,435	29,501	—	42,936
Cash and cash equivalents		56,878,028	—	—	56,878,028
Investments with less than 91-day maturities		109,326,096	—	—	109,326,096
Cash and cash equivalents, end of year	$	166,217,559	29,501	—	166,247,060

See accompanying independent auditors' report.