



**BROOKLYN BRIDGE PARK CORPORATION**  
**(D/B/A BROOKLYN BRIDGE PARK)**  
(A Component Unit of The City of New York)

**FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

**BROOKLYN BRIDGE PARK CORPORATION**  
**(D/B/A BROOKLYN BRIDGE PARK)**  
(A Component Unit of The City of New York)

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**Financial Statements**

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## **Independent Auditors' Report**

The Board of Directors

**Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park)**

(A Component Unit of The City of New York)

### ***Opinions***

We have audited the financial statements of the business-type activities and the discretely presented component unit of Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park) ("BBP"), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2026, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise BBP's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of BBP as of June 30, 2026, and the respective changes in net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Brooklyn Bridge Park Conservancy, Inc., (the "component unit"), which represents 1%, 1% and 9%, respectively of the assets, net position and revenues of the total reporting entity as of and for the year ended June 30, 2026. These statements were audited by another auditor, whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for such component unit, is based solely on the report of the other auditor.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BBP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Change in Reporting Entity***

BBP had a change in reporting entity for the year ended June 30, 2026 for the addition of the component unit as a discretely presented component unit which resulted in a restatement to beginning net position. This is discussed further in Note 10 to the financial statements. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BBP's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BBP's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*CBIZ CPAs P.C.*

New York, New York  
October 26, 2026

**BROOKLYN BRIDGE PARK CORPORATION**  
**(D/B/A BROOKLYN BRIDGE PARK)**  
**(A Component Unit of The City of New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

June 30, 2026

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following is an overview of the financial activities of Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park), ("BBP"), a component unit of The City of New York (the "City") for the year ended June 30, 2026.

The financial statements consist of two parts: management's discussion and analysis (this section) and the financial statements. The basic financial statements, which include the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows and the notes to the financial statements, are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as prescribed by the Governmental Accounting Standards Board ("GASB"). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, in which revenues are recognized in the period they are earned and expenses are recognized in the period they are incurred.

The financial statements also include the financial activity of Brooklyn Bridge Park Conservancy, Inc. (the "Conservancy"), which has an operating agreement with BBP. Through this agreement, BBP provides administrative and operating support to the Conservancy, and BBP is the sole recipient of any funds raised by the Conservancy. The Conservancy is reported as a discretely presented component unit under the provisions of GASB Statement No. 14, *The Financial Reporting Entity*. The operating agreement was effective July 1, 2025, prompting the Conservancy to be included as a discretely presented component unit for the year ended June 30, 2026. The inclusion of the Conservancy as a discretely presented component unit increased assets, net position and revenues of the financial reporting entity by \$1,153,269, \$990,565 and \$3,810,414, respectively, for the year ended June 30, 2026.

BBP is the entity responsible for the planning, construction, maintenance and operation of Brooklyn Bridge Park (the "Park"), an 85-acre sustainable waterfront park stretching 1.3 miles along Brooklyn's East River shoreline. BBP was incorporated in June 2010 under the New York State Not-for-Profit Laws and began operating on July 29, 2010 when it acquired control of, and responsibility for, the Park via a 99-year master ground lease from Brooklyn Bridge Park Development Corporation ("BBPDC"), a subsidiary of the Empire State Development Corporation. BBP is governed by a 17-member Board of Directors appointed by the Mayor of New York City, eight of whom are nominated by the Governor of New York State and local elected officials.

BBP operates under a mandate to be financially self-sustaining. This mandate was memorialized in the Memorandum of Understanding signed by Governor George Pataki and Mayor Michael Bloomberg in 2002 that created BBP. While a small fraction of the required operations and maintenance funds for the Park will be collected from concessions located throughout the Park, the majority of the funds will come from a limited number of revenue-generating development sites within the project's footprint. The development program was determined after an in-depth analysis of the potential development types and locations.

**BROOKLYN BRIDGE PARK CORPORATION  
(D/B/A BROOKLYN BRIDGE PARK)  
(A Component Unit of The City of New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

June 30, 2026

**FINANCIAL SUMMARY – PRIMARY GOVERNMENT**

The following condensed financial information summarizes the assets, liabilities, and net position of BBP as of June 30:

**Condensed Statements of Net Position**

|                                      | 2026                  | 2025                  |
|--------------------------------------|-----------------------|-----------------------|
| Current assets and other             | \$ 60,599,569         | \$ 51,708,592         |
| Long-term investments                | 28,279,252            | 27,246,413            |
| Leases receivable                    | 134,817,856           | 132,167,935           |
| Capital assets, net                  | 259,061,010           | 279,149,395           |
| <b>Total Assets</b>                  | <b>482,757,687</b>    | <b>490,272,335</b>    |
| Current liabilities                  | 4,497,134             | 3,895,651             |
| Non-current liabilities              | 6,565,747             | 6,465,169             |
| <b>Total Liabilities</b>             | <b>11,062,881</b>     | <b>10,360,820</b>     |
| <b>Deferred Inflows of Resources</b> | <b>108,970,729</b>    | <b>110,396,059</b>    |
| Net investment in capital assets     | 258,401,322           | 279,149,395           |
| Restricted for capital projects      | 2,186,824             | 7,145,950             |
| Unrestricted                         | 102,135,931           | 83,220,111            |
| <b>Total Net Position</b>            | <b>\$ 362,724,077</b> | <b>\$ 369,515,456</b> |

**BROOKLYN BRIDGE PARK CORPORATION  
(D/B/A BROOKLYN BRIDGE PARK)  
(A Component Unit of The City of New York)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

June 30, 2026

**FINANCIAL SUMMARY – PRIMARY GOVERNMENT (CONTINUED)**

The following condensed financial information summarizes BBP revenues, expenses, and changes in net position for the years ended June 30, 2026 and 2025:

**Condensed Statements of Activities**

|                                                          | 2026                  | 2025                  |
|----------------------------------------------------------|-----------------------|-----------------------|
| Permits and fees                                         | \$ 3,893,506          | \$ 2,933,673          |
| PILOT payments and ground lease rent                     | 25,023,973            | 23,855,271            |
| Operating grants and contributions from private sources  | 1,500,000             | --                    |
| Interest income - leases                                 | 8,838,024             | 8,682,051             |
| <b>Total Operating Revenues</b>                          | <b>39,255,503</b>     | <b>35,470,995</b>     |
| Personnel costs                                          | 11,239,405            | 8,647,922             |
| Utilities, repairs and maintenance and security          | 4,864,791             | 4,559,078             |
| Professional fees                                        | 3,759,575             | 4,285,760             |
| Depreciation                                             | 23,635,603            | 22,848,363            |
| Other general, administrative and other project expenses | 4,189,064             | 1,879,200             |
| <b>Total Operating Expenses</b>                          | <b>47,688,438</b>     | <b>42,220,323</b>     |
| <b>Operating Loss</b>                                    | <b>(8,432,935)</b>    | <b>(6,749,328)</b>    |
| Investment income                                        | 1,370,369             | 863,369               |
| Loss on lease                                            | -                     | (648,746)             |
| Other interest income                                    | 271,187               | 268,800               |
| <b>Total Non-Operating Revenues</b>                      | <b>1,641,556</b>      | <b>483,423</b>        |
| <b>Changes in Net Position</b>                           | <b>(6,791,379)</b>    | <b>(6,265,905)</b>    |
| <b>Net Position - Beginning of Year</b>                  | <b>369,515,456</b>    | <b>375,781,361</b>    |
| <b>Net Position - End of Year</b>                        | <b>\$ 362,724,077</b> | <b>\$ 369,515,456</b> |

**VARIANCE ANALYSIS (PRIMARY GOVERNMENT)**

Pursuant to the funding agreement between the City and the New York City Department of Parks and Recreation (“DPR”), during the year ended June 30, 2026, BBP spent \$0 on eligible project costs. Since June 30, 2011, BBP has processed the eighth through twenty-first funding agreements. These agreements revised the total amounts from \$132,111,000 to \$292,572,000, respectively.

**BROOKLYN BRIDGE PARK CORPORATION**  
**(D/B/A BROOKLYN BRIDGE PARK)**  
**(A Component Unit of The City of New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

June 30, 2026

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**VARIANCE ANALYSIS (PRIMARY GOVERNMENT) (CONTINUED)**

***OPERATING REVENUES***

Operating revenues for the year ended June 30, 2026 increased by \$3,784,508, or 11%, from \$35,470,995 to \$39,255,503. The increase was primarily attributable to higher payments in lieu of taxes ("PILOT") and ground lease rent, which increased by \$1,168,702, the receipt of \$1,500,000 from the Conservancy under the terms of the operating agreement, and a \$959,833 increase in permit and fee revenues, primarily driven by activities associated with hosting FIFA World Cup-related events.

***OPERATING EXPENSES***

Operating expenses increased by \$5,468,115 or 13%, from \$42,220,323 in fiscal year 2025 to \$47,688,438 in fiscal year 2026. The increase was primarily attributable to higher personnel costs of \$2,591,483 resulting from the hiring of additional staff to support operations, higher depreciation expense of \$787,240 related to park and marine infrastructure improvements, and an increase in other general, administrative, and project expenses of \$2,309,864, largely driven by a \$1,647,106 fee paid to the Conservancy. These increases were partially offset by a decrease in professional fees of \$526,185.

***NONOPERATING REVENUES***

Nonoperating revenues increased by \$1,158,133, from \$483,423 in fiscal year 2025 to \$1,641,556 in fiscal year 2026. The increase was primarily attributable to higher investment income, which increased by \$507,000, as well as the absence of a \$648,746 loss on lease termination recognized during fiscal year 2025. As a result, total nonoperating revenues were significantly higher in fiscal year 2026 compared to the prior year.

***ASSETS***

At June 30, 2026, BBP maintained total assets of \$482,757,687, representing a decrease of \$7,514,648 or 2% from \$490,272,335 at June 30, 2025.

Current assets and other assets increased by \$8,890,977 or 17%, from \$51,708,592 at June 30, 2025 to \$60,599,569 at June 30, 2026. The increase was primarily attributable to higher cash and cash equivalent balances resulting from operating activities and the timing of project expenditures. BBP receives operating cash from permits, concessions, PILOT payments, and ground leases, while capital funding is utilized for capital asset acquisitions and improvements. The increase in cash balances reflects the net effect of these activities during the fiscal year.

Noncurrent assets decreased by \$16,405,625 or 4%, from \$438,563,743 at June 30, 2025 to \$422,158,118 at June 30, 2026, and represented approximately 87% of total assets at year-end. The decrease was primarily attributable to a reduction in net capital assets of \$20,088,385, largely reflecting annual depreciation expense exceeding capital asset additions during the year. This decrease was partially offset by increases in long-term investments of \$1,032,839 and leases receivable of \$2,649,921.

**BROOKLYN BRIDGE PARK CORPORATION  
(D/B/A BROOKLYN BRIDGE PARK)  
(A Component Unit of The City of New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

June 30, 2026

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**VARIANCE ANALYSIS (PRIMARY GOVERNMENT) (CONTINUED)**

***ASSETS (CONTINUED)***

At June 30, 2026, BBP maintained long-term investments of \$28,279,252, an increase of \$1,032,839 or 4% from the prior year, in accordance with BBP's investment policy (see Note 3).

***LIABILITIES***

Total liabilities increased by \$702,061 or 7%, from \$10,360,820 at June 30, 2025 to \$11,062,881 at June 30, 2026. The increase was primarily attributable to higher current liabilities associated with operating activities, partially offset by relatively stable noncurrent liabilities. Current liabilities increased by \$601,483, while noncurrent liabilities increased by \$100,578 during the fiscal year.

***NET POSITION***

Net position at June 30, 2026 was \$362,724,077, a decrease of \$6,791,379 or 2% from \$369,515,456 at June 30, 2025. Of the total net position, \$258,401,322 was invested in capital assets, \$2,186,824 was restricted for capital projects, and \$102,135,931 was unrestricted. The decrease in total net position reflects the fiscal year 2026 change in net position of \$(6,791,379).

**\*\*END\*\***

**BROOKLYN BRIDGE PARK CORPORATION**  
**(D/B/A BROOKLYN BRIDGE PARK)**  
**(A COMPONENT UNIT OF THE CITY OF NEW YORK)**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2026**

|                                                                          | <b>Primary<br/>Government</b> | <b>Component Unit</b> | <b>Total Reporting<br/>Entity</b> |
|--------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------------------------|
| <b>Assets</b>                                                            |                               |                       |                                   |
| <b>Current Assets</b>                                                    |                               |                       |                                   |
| Unrestricted cash and cash equivalents                                   | \$ 55,359,613                 | \$ 929,322            | \$ 56,288,935                     |
| Restricted cash and cash equivalents                                     | 4,761,792                     | --                    | 4,761,792                         |
| Accounts receivable                                                      | 214,228                       | --                    | 214,228                           |
| Contributions and grants receivable                                      | --                            | 106,007               | 106,007                           |
| Prepaid expenses and other assets                                        | 263,936                       | 117,940               | 381,876                           |
| <b>Total Current Assets</b>                                              | <u>60,599,569</u>             | <u>1,153,269</u>      | <u>61,752,838</u>                 |
| <b>Non-Current Assets</b>                                                |                               |                       |                                   |
| Long-term investments                                                    | 28,279,252                    | --                    | 28,279,252                        |
| Leases receivable                                                        | 134,817,856                   | --                    | 134,817,856                       |
| Capital assets, net of accumulated depreciation                          | 259,061,010                   | --                    | 259,061,010                       |
| <b>Total Non-Current Assets</b>                                          | <u>422,158,118</u>            | <u>--</u>             | <u>422,158,118</u>                |
| <b>Total Assets</b>                                                      | <u>\$ 482,757,687</u>         | <u>\$ 1,153,269</u>   | <u>\$ 483,910,956</u>             |
| <b>Liabilities</b>                                                       |                               |                       |                                   |
| <b>Current Liabilities</b>                                               |                               |                       |                                   |
| Accounts payable and accrued expenses                                    | \$ 2,581,854                  | \$ 47,704             | \$ 2,629,558                      |
| Unearned revenue                                                         | 1,915,280                     | --                    | 1,915,280                         |
| <b>Total Current Liabilities</b>                                         | 4,497,134                     | 47,704                | 4,544,838                         |
| <b>Noncurrent Liabilities</b>                                            |                               |                       |                                   |
| Security deposits                                                        | 6,565,747                     | --                    | 6,565,747                         |
| <b>Total Liabilities</b>                                                 | <u>11,062,881</u>             | <u>47,704</u>         | <u>11,110,585</u>                 |
| <b>Deferred Inflows of Resources</b>                                     |                               |                       |                                   |
| Contributions                                                            | --                            | 115,000               | 115,000                           |
| Leases                                                                   | 108,970,729                   | --                    | 108,970,729                       |
|                                                                          | <u>108,970,729</u>            | <u>115,000</u>        | <u>109,085,729</u>                |
| <b>Commitments and Contingencies</b>                                     |                               |                       |                                   |
| <b>Net Position</b>                                                      |                               |                       |                                   |
| Net investment in capital assets                                         | 258,401,322                   | --                    | 258,401,322                       |
| Restricted for Conservancy programs                                      | --                            | 32,400                | 32,400                            |
| Restricted for capital projects                                          | 2,186,824                     | --                    | 2,186,824                         |
| Restricted - perpetual in nature                                         | --                            | 15,000                | 15,000                            |
| Unrestricted                                                             | 102,135,931                   | 943,165               | 103,079,096                       |
| <b>Total Net Position</b>                                                | <u>362,724,077</u>            | <u>990,565</u>        | <u>363,714,642</u>                |
| <b>Total Liabilities, Deferred Inflows of Resources and Net Position</b> | <u>\$ 482,757,687</u>         | <u>\$ 1,153,269</u>   | <u>\$ 483,910,956</u>             |

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

**BROOKLYN BRIDGE PARK CORPORATION**  
**(A COMPONENT UNIT OF THE CITY OF NEW YORK)**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                 | <b>Primary<br/>Government</b> | <b>Component Unit</b> | <b>Total Reporting<br/>Entity</b> |
|-----------------------------------------------------------------|-------------------------------|-----------------------|-----------------------------------|
| <b>Operating Revenues</b>                                       |                               |                       |                                   |
| Permits and other fees                                          | \$ 3,893,506                  | \$ 49,508             | \$ 3,943,014                      |
| Payments in lieu of all taxes and ground lease rent             | 25,023,973                    | --                    | 25,023,973                        |
| Operating grants and contributions from private sources         | 1,500,000                     | 2,087,159             | 3,587,159                         |
| Contributed non-financial assets (in-kind support)              | --                            | 115,000               | 115,000                           |
| Fundraising service fee                                         | --                            | 1,647,106             | 1,647,106                         |
| Interest income - leases                                        | 8,838,024                     | --                    | 8,838,024                         |
| <b>Total Operating Revenues</b>                                 | <u>39,255,503</u>             | <u>3,898,773</u>      | <u>43,154,276</u>                 |
| <b>Operating Expenses</b>                                       |                               |                       |                                   |
| Personnel costs                                                 | 11,239,405                    | 670,513               | 11,909,918                        |
| Utilities                                                       | 696,065                       | --                    | 696,065                           |
| Professional fees                                               | 3,759,575                     | 197,947               | 3,957,522                         |
| Repairs and maintenance                                         | 2,047,399                     | --                    | 2,047,399                         |
| Security                                                        | 2,121,327                     | --                    | 2,121,327                         |
| Depreciation                                                    | 23,635,603                    | 24,002                | 23,659,605                        |
| Other general, administrative and project expenses              | 4,189,064                     | 2,511,596             | 6,700,660                         |
| <b>Total Operating Expenses</b>                                 | <u>47,688,438</u>             | <u>3,404,058</u>      | <u>51,092,496</u>                 |
| <b>Operating (Loss) Surplus</b>                                 | <u>(8,432,935)</u>            | <u>494,715</u>        | <u>(7,938,220)</u>                |
| <b>Non-Operating Revenues</b>                                   |                               |                       |                                   |
| Investment income                                               | 1,370,369                     | 26,641                | 1,397,010                         |
| Other interest income                                           | 271,187                       | --                    | 271,187                           |
| <b>Total Non-Operating Revenues</b>                             | <u>1,641,556</u>              | <u>26,641</u>         | <u>1,668,197</u>                  |
| <b>Changes in Net Position</b>                                  | <u>(6,791,379)</u>            | <u>521,356</u>        | <u>(6,270,023)</u>                |
| <b>Net position, beginning of year - as previously reported</b> | <u>369,515,456</u>            | <u>--</u>             | <u>369,515,456</u>                |
| <b>Change in Reporting Entity (Note 10)</b>                     | <u>--</u>                     | <u>469,209</u>        | <u>469,209</u>                    |
| <b>Net Position - beginning of year - as restated</b>           | <u>369,515,456</u>            | <u>469,209</u>        | <u>369,984,665</u>                |
| <b>Net Position - End of Year</b>                               | <u>\$ 362,724,077</u>         | <u>\$ 990,565</u>     | <u>\$ 363,714,642</u>             |

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

**BROOKLYN BRIDGE PARK CORPORATION**  
**FOR THE YEAR ENDED JUNE 30, 2026**  
**STATEMENT OF CASH FLOWS**  
**(A COMPONENT UNIT OF THE CITY OF NEW YORK)**  
**(D/B/A BROOKLYN BRIDGE PARK)**

**Cash Flows from Operating Activities**

Cash receipts from:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Grants and contributions from private sources | \$ 1,500,000      |
| Customer payments                             | 3,888,140         |
| Tenant payments                               | <u>30,357,813</u> |
| Total cash receipts from operating activities | <u>35,745,953</u> |

Cash payments for:

|                                              |                     |
|----------------------------------------------|---------------------|
| Payments to lessees - security deposits      | 88,483              |
| Personnel costs                              | (11,049,626)        |
| Services and supplies                        | <u>(12,493,608)</u> |
| Total cash payments for operating activities | <u>(23,454,751)</u> |

**Net Cash Provided by Operating Activities** 12,291,202

**Cash Flows from Capital and Related Financing Activities**

|                            |                    |
|----------------------------|--------------------|
| Capital asset expenditures | <u>(3,939,232)</u> |
|----------------------------|--------------------|

**Net Cash Used in Capital and Related Financing Activities** (3,939,232)

**Cash Flows from Investing Activities**

|                          |                |
|--------------------------|----------------|
| Purchases of investments | (28,053,131)   |
| Securities matured       | 27,850,400     |
| Interest received        | <u>811,448</u> |

**Net Cash Provided by Investing Activities** 608,717

**Net Increase in Cash and Cash Equivalents** 8,960,687

**Cash and Cash Equivalents - Beginning of Year** 51,160,718

**Cash and Cash Equivalents - End of Year** \$ 60,121,405

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

**BROOKLYN BRIDGE PARK CORPORATION**  
**FOR THE YEAR ENDED JUNE 30, 2026**  
**STATEMENT OF CASH FLOWS**  
**(A COMPONENT UNIT OF THE CITY OF NEW YORK)**  
**(D/B/A BROOKLYN BRIDGE PARK)**

**Reconciliation of Operating Loss to Net Cash  
Provided by Operating Activities**

|                                                                                          |                    |
|------------------------------------------------------------------------------------------|--------------------|
| Operating loss                                                                           | \$ (8,432,935)     |
| Adjustments to reconcile operating loss to net cash<br>provided by operating activities: |                    |
| Depreciation                                                                             | 23,635,603         |
| Changes in operating assets and liabilities:                                             |                    |
| Accounts receivable                                                                      | 241,830            |
| Prepaid expenses                                                                         | (172,120)          |
| Leases receivable                                                                        | (2,649,921)        |
| Accounts payable and accrued expenses                                                    | 681,721            |
| Security deposits                                                                        | 88,483             |
| Unearned revenue                                                                         | 323,871            |
| Deferred inflows of resources                                                            | <u>(1,425,330)</u> |

|                                                  |                   |
|--------------------------------------------------|-------------------|
| <b>Net Cash Provided by Operating Activities</b> | <u>12,291,202</u> |
|--------------------------------------------------|-------------------|

**Reconciliation to Cash and Cash Equivalents - End of Year**

|                                        |                  |
|----------------------------------------|------------------|
| Unrestricted cash and cash equivalents | 55,359,613       |
| Restricted cash and cash equivalents   | <u>4,761,792</u> |

|                                                |                             |
|------------------------------------------------|-----------------------------|
| <b>Cash and Cash Equivalents - End of Year</b> | <u><u>\$ 60,121,405</u></u> |
|------------------------------------------------|-----------------------------|

**Supplemental Disclosures of Cash Flow Information:**

|                                                     |                          |
|-----------------------------------------------------|--------------------------|
| Noncash capital and related financing transactions: |                          |
| Accrued capital asset expenditures                  | <u><u>\$ 659,688</u></u> |

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

**BROOKLYN BRIDGE PARK CORPORATION**  
**(D/B/A BROOKLYN BRIDGE PARK)**  
**(A Component Unit of The City Of New York)**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park) (“BBP”) was incorporated in June 2010 pursuant to the Not-for-Profit Corporation Law of the State of New York (the “State”), is a public charity and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). BBP was formed for the purposes of lessening the burdens of government by furthering, developing and enhancing the economic vitality of the Brooklyn waterfront through the development, operation and maintenance of a renovated waterfront area, including a public park, which serves the people of the New York City region. BBP is responsible for the planning, construction, maintenance and operation of Brooklyn Bridge Park (the “Project”), an 85-acre sustainable waterfront park stretching 1.3 miles along Brooklyn’s East River shoreline. In advancing such purposes, BBP is performing an essential government function in partnership with The City of New York (the “City”). BBP is governed by a 17-member board of directors appointed by the Members of BBP on the nomination of the Mayor of the City of New York, the Governor of New York State, and local elected officials.

Portions of the Project area are leased by The City to Brooklyn Bridge Park Development Corporation (“BBPDC”), a subsidiary of the New York State Urban Development Corporation, pursuant to the Prime Ground Lease Agreement. On July 29, 2010, BBPDC and BBP entered into a Master Ground Lease Agreement (the “Ground Lease”) where BBPDC leased the Project area, including office space at 334 Furman Street, to BBP in order to advance the Project development plan for a one-time rental payment of \$1. Also provided in the Ground Lease is the assignment of the operating revenues from the Project to BBP to satisfy BBP’s obligations to maintain and operate the Project. The Ground Lease shall expire on July 28, 2109.

Pursuant to the Assignment Agreements between BBPDC and BBP, BBPDC assigned to BBP its entire right, title and interest in future capital funding from the Port Authority of New York and New Jersey (“PANYNJ”) under the Port Authority Funding Agreement between BBPDC and PANYNJ and future funding from The City under the Park Funding Agreement between BBPDC and The City.

For financial reporting purposes, BBP is included as a component unit in The City’s annual comprehensive financial report pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, as amended. The component unit discussed in Note 2 is included in BBP’s reporting entity because of the significance of its financial relationship to the Conservancy.

**BROOKLYN BRIDGE PARK CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)**

Brooklyn Bridge Park Conservancy, Inc. (the “Conservancy”) is an independent not-for-profit organization whose mission is to provide philanthropic support for Brooklyn Bridge Park (the “Park”). The Conservancy raises funds through contributions from individuals, foundations, and corporations and provides fundraising services for the benefit of the Park. Pursuant to an operating agreement effective July 1, 2025, the Conservancy serves as the Park’s dedicated fundraising partner and grants substantially all funds raised to Brooklyn Bridge Park Corporation to support park operations, capital projects, and public programming, while retaining approved operating reserves. The Conservancy and Brooklyn Bridge Park Corporation maintain separate legal identities but operate under an integrated governance and operating structure to advance the Park’s mission of providing recreational, environmental, and cultural experiences to the public.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***FINANCIAL REPORTING ENTITY***

In evaluating how to define BBP for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. A component unit is a legally separate entity that meets any one of the following requirements:

- The primary government appoints the voting majority of the Board of the potential component unit and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity;
- The potential component unit is fiscally dependent upon the primary government; or
- The financial statements of the primary government would be misleading if data from the potential component unit were not included.

There are additional criteria to be considered in determining the nature and significance of a relationship of a legally separate, tax-exempt entity with the primary government. These criteria, all of which must be met for inclusion of such an entity as a component unit, are as follows:

- Economic resources received or held by the separate organizations are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

**BROOKLYN BRIDGE PARK CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FINANCIAL REPORTING ENTITY (CONTINUED)***

- The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Based on the application of these criteria, the Conservancy is a component unit of BBP. It was determined that the Conservancy is a discretely presented component unit. These criteria are met from the Conservancy's operating agreement with BBP, in which BBP is the sole recipient of the funds raised by the Conservancy. The amounts contributed to BBP amounted to approximately \$1,500,000 for the year ended June 30, 2026. BBP paid program service fees of approximately \$1,647,000 to the Conservancy, which included a 5% contingency fee, for the year ended June 30, 2026.

***BASIS OF ACCOUNTING***

BBP'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.

In its accounting and financial reporting, BBP follows accounting principles generally accepted in the United States of America ("U.S. GAAP") as promulgated by GASB.

***REVENUE AND EXPENSE CLASSIFICATION***

BBP distinguishes operating revenues and expenses from nonoperating items in the preparation of its financial statements. Operating revenues and expenses generally result from BBP's ongoing operations. The principal operating revenues include permits, concessions, lease income, payments in lieu of taxes ("PILOT"), payments in lieu of sales taxes ("PILOST"), payments in lieu of mortgage recording taxes ("PILOMRT") and other fees. Major operating expenses include park operating costs, personnel costs, professional fees and utilities.

***GRANTS AND CONTRIBUTIONS***

BBP receives capital funding for certain eligible project costs pursuant to the funding agreements with The City, PANYNJ and other funding sources. BBP recognizes capital funding as revenue as eligible project costs are incurred. Differences between the project costs incurred on specific projects and the related receipts are reflected as grants and contributions receivable or as unearned revenue in the accompanying statements of net position.

BBP also records contributions of cash and other assets from private donors when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as unrestricted or restricted net position in the accompanying statements of net position depending on any donor restriction.

**BROOKLYN BRIDGE PARK CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***REVENUES FROM LEASES AND PAYMENTS IN LIEU OF TAXES***

As required by U.S. GAAP, BBP recognizes a lease receivable and a deferred inflow of resources. The lease receivable is amortized over the life of the lease and interest revenue is recognized over the term of the lease. Rental revenue is recognized in a systematic and rational manner (typically straight-line) over the term of the lease and the deferred inflow of resources is reduced in the same manner. PILOT and upfront lease payments received in advance of the period to which they apply are deferred and recognized as revenue during future periods. Initial lease payments which are nonrefundable and PILOST and PILOMRT payments are recognized as revenue when received.

BBP determines whether an allowance for uncollectible receivables should be provided for leases receivable, PILOT, PILOST, PILOMRT and other receivables. Such estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its donors, historical experience, and collections subsequent to year end. As of June 30, 2026, BBP determined that no allowance was necessary for these receivables.

The Conservancy uses donated space and, accordingly, does not recognize a right-to-use asset or lease liability related to that space as of the year ended June 30, 2026.

***CASH EQUIVALENTS***

For the purposes of the statements of cash flows, cash equivalents include cash in banks and on hand, certificates of deposit and highly liquid debt instruments with maturities of three months or less when acquired.

***RESTRICTED ASSETS***

Restricted assets consist of cash and cash equivalents held and to be used for eligible project costs pursuant to funding agreements with The City, PANYNJ and other funding sources. Accordingly, such amounts are not available for general corporate purposes.

***INVESTMENTS AND FAIR VALUE MEASUREMENTS***

Investments are reported at fair value based on quoted market value. Securities transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are determined on a specific identification basis and are included in investment income in the accompanying statements of revenues, expenses and changes in net position. Interest income is recognized when earned.

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 3.

**BROOKLYN BRIDGE PARK CORPORATION**  
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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***CAPITAL ASSETS***

Costs incurred by BBP in developing the Project are capitalized as Project assets and are recorded at cost. The costs of normal maintenance of the Project that do not add value to the Project or extend its useful life are not capitalized. Upon completion, site improvement costs are reclassified from construction-in-progress and amortized over the estimated useful lives.

Other property and equipment purchased for use in operations by BBP in excess of \$10,000 is capitalized and depreciated using the straight-line method over the estimated useful life assigned.

The estimated useful lives of depreciable capital assets are as follows:

|                           |                |
|---------------------------|----------------|
| Site improvements         | 10 to 30 years |
| Carousel                  | 50 years       |
| Building and improvements | 15 to 25 years |
| Furniture and fixtures    | 3 to 5 years   |
| Vehicles and equipment    | 3 to 5 years   |

The Conservancy capitalizes, as furniture and equipment, expenditures for such assets in excess of \$1,000 with an estimated useful life greater than one year. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years.

***NET POSITION***

BBP's net position is classified in the following categories: net investment in capital assets, consisting of project assets, net of accumulated depreciation; restricted for capital projects, consisting of net position restricted for specific purposes by law or parties external to BBP; and unrestricted net position, consisting of net position that is not classified as invested in capital assets or restricted. When both restricted and unrestricted resources are available for use for a specific purpose, it is BBP's policy to use restricted resources first, then unrestricted resources as they are needed.

Restricted net position represents restricted assets reduced by the liabilities related to those assets. A liability is related to a restricted asset when the asset results from incurring that liability or if the liability will be liquidated with the restricted asset. If the liabilities relating to the restricted assets are greater than those assets, then no balance is reported as restricted net position. Such negative amount would be reported as a reduction to unrestricted net position.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***USE OF ESTIMATES***

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Estimates include allowances for doubtful accounts receivable and depreciation and amortization. Actual results could differ from those estimates.

***RECENT ACCOUNTING PRONOUNCEMENTS***

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

- GASB Statement No. 103, *Financial Reporting Model Improvements* (“GASB 103”), has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. GASB 103 describes changes to the information presented in management’s discussion and analysis (MD&A), while stressing and emphasizing information included within. Additionally, GASB 103 provides the description on unusual or infrequent items, and their reporting requirements. GASB 103 also provides guidance on other reporting requirements inclusive of the presentation of the Proprietary Fund statement of revenues, expenses and changes in fund net position; major component unit information and budgetary comparison information. The effects of the adoption on BBP were limited to having an impact to the form and content of the MD&A.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets* (“GASB 104”), requires certain types of capital assets to be disclosed separately in the capital assets note disclosures that are required under GASB 34. Lease assets recognized in accordance with GASB 87, intangible right-to-use assets recognized in accordance with GASB 94 and subscription assets recognized in accordance with GASB 96 should be disclosed separately by major class of underlying asset in the capital assets note disclosures in addition to intangible assets other than those three types. GASB 104 also will require additional disclosure for capital assets held for sale and each reporting period the capital assets held for sale will require evaluation. The Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. BBP has adopted GASB 104 for the year ended June 30, 2026 and determined there is no impact on its disclosures.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)***

- GASB Statement No. 105, *Subsequent Events* (“GASB 105”), has been issued to improve financial reporting by enhancing the requirements related to subsequent events and promoting consistency in their application. GASB 105 requires governments to disclose the date through which subsequent events have been evaluated, regardless of whether recognized or nonrecognized subsequent events exist. For nonrecognized subsequent events, the Statement requires disclosure of the nature of the event, its effects, and an estimate of the financial impact, or the reason why an estimate cannot be made. The requirements of GASB 105 are effective for fiscal years ending after June 15, 2027. Management is currently evaluating the impact that the adoption of GASB 105 will have on BBP’s financial statements.

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

BBP’s investments consisted of the following at June 30, 2026:

|                       |                      |
|-----------------------|----------------------|
| U.S. Government Bonds | <u>\$ 28,279,252</u> |
|-----------------------|----------------------|

BBP’s investment policy permits BBP to invest funds of BBP as summarized and restricted below:

- Obligations of the U.S. Treasury and other Federal Agency obligations.
- Commercial paper rated A-1 by Standard & Poor’s Corporation or P-1 by Moody’s Investors Service, Inc. or Fitch.
- Bankers’ acceptances and time deposits of banks with worldwide assets in excess of \$50 million.
- Certificates of deposit with New York banks. Such certificates of deposit must be Federal Deposit Insurance Corporation (“FDIC”) insured, except when otherwise collateralized.
- Other investments approved by the Comptroller of The City for the investment of City funds.

In addition to the above investments, BBP may deposit funds in the following, with respect to funds needed for operational expenses and funds awaiting investment or disbursement:

- Money market mutual funds that restrict their investments to short-term, highly rated money market instruments.
- Other interest-bearing accounts if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

BBP categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets. Level 2 inputs are significant other observable inputs.

BBP has the following recurring fair value measurements as of June 30, 2026:

- U.S. Government bonds of \$28,279,252 are valued using quoted prices in an active market (Level 1 inputs).

***CUSTODIAL CREDIT RISK***

Custodial credit risk is the risk that, in the event of the failure of the custodian, BBP may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are registered and are held by BBP's agent in BBP's name.

***CREDIT RISK***

All investments held by BBP at June 30, 2026 are obligations of, or guaranteed by, the United States of America.

BBP's investments with short-term maturities are subject to minimal risk of fair value declines due to changes in market interest rates. Investments with longer terms are expected to be held until maturity thereby limiting the exposure from rising interest rates.

Concentration of credit risk is the risk of loss attributed to the magnitude of BBP's investments in a single issuer (5% or more). BBP's investment policy places no limits on the amount BBP may invest in any one issuer of eligible U.S. investments as defined in the Indenture. As of June 30, 2026, 100% of BBP's investments are in eligible U.S. government obligations.

As of June 30, 2026, the Conservancy held investments with a fair value of \$32,374, consisting of common stock with a fair value of \$4,593 and exchange-traded funds with a fair value of \$27,781. These investments, which are presented in the statement of net position with prepaid and other assets, are measured at fair value using quoted market prices in active markets and are classified as Level 1 investments within the fair value hierarchy.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

**NOTE 4 – CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2026 were as follows:

|                                     | June 30,<br>2025                 | Additions                         | Reclassifications/<br>Dispositions | June 30,<br>2026                 |
|-------------------------------------|----------------------------------|-----------------------------------|------------------------------------|----------------------------------|
| Site improvements                   | \$ 401,587,887                   | \$ 937,670                        | --                                 | \$ 402,525,557                   |
| Building, improvements and carousel | 42,828,765                       | 98,101                            | --                                 | 42,926,866                       |
| Furniture and fixtures              | 1,585,930                        | 74,850                            | --                                 | 1,660,780                        |
| Vehicles and equipment              | <u>2,090,349</u>                 | <u>--</u>                         | <u>--</u>                          | <u>2,090,349</u>                 |
| <br>Total project assets            | <br><u>448,092,931</u>           | <br><u>1,110,621</u>              | <br><u>--</u>                      | <br><u>449,203,552</u>           |
| <br>Less: accumulated depreciation: |                                  |                                   |                                    |                                  |
| Site improvements                   | (151,237,103)                    | (21,892,735)                      | --                                 | (173,129,838)                    |
| Building, improvements and carousel | (14,773,992)                     | (1,569,875)                       | --                                 | (16,343,867)                     |
| Furniture and fixtures              | (1,482,061)                      | (59,181)                          | --                                 | (1,541,242)                      |
| Vehicles and equipment              | <u>(1,757,335)</u>               | <u>(113,812)</u>                  | <u>--</u>                          | <u>(1,871,147)</u>               |
| <br>Total accumulated depreciation  | <br><u>(169,250,491)</u>         | <br><u>(23,635,603)</u>           | <br><u>--</u>                      | <br><u>(192,886,094)</u>         |
| <br>Construction in progress        | <br><u>306,955</u>               | <br><u>2,944,490</u>              | <br><u>(507,893)</u>               | <br><u>2,743,552</u>             |
| <br><b>Net Project Assets</b>       | <br><u><b>\$ 279,149,395</b></u> | <br><u><b>\$ (19,580,492)</b></u> | <br><u><b>\$ (507,893)</b></u>     | <br><u><b>\$ 259,061,010</b></u> |

BBP has entered into planning, design, construction and other project-related contracts for site improvements, most of which are structured on a work order basis. BBP is responsible for accrued expenses per authorized work order, not for the payment of contract balances. Capital expenditures totaling \$659,688 were accrued as of June 30, 2026 which will be paid upon receipt and review of the contractor invoices. The estimated cost to completion is approximately \$817,625. Projects are expected to be completed on December 23, 2027.

As of June 30, 2026, in connection with an operating agreement, all of the Conservancy's furniture and fixtures, which were fully depreciated, were disposed.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 5 – GRANTS AND CONTRIBUTIONS**

***CAPITAL CONTRIBUTIONS FROM GOVERNMENT SOURCES***

During the year ended June 30, 2026, BBP recognized \$0 in capital funding for projects and incurred \$0 in eligible project costs. BBP recognized the amount spent for eligible project costs as capital contributions in the accompanying statements of revenues, expenses and changes in net position, while the unspent funds are included in unearned revenue in the accompanying statements of net position.

Included in capital and other contributions in the accompanying statements of revenues, expenses and changes in net position are revenues derived from capital contracts with The City, which amounted to \$0 for the year ended June 30, 2026.

***NON-CASH CAPITAL CONTRIBUTIONS***

During the year ended June 30, 2012, BBP also received a donation of a restored 1920's carousel ("Jane's Carousel") along with a structure in which Jane's Carousel is housed. BBP recorded such donated assets at their estimated fair values of \$4,250,000 and \$9,200,000, respectively. Such fair values were estimated based upon independent appraisals.

Pursuant to the Donation Agreement (the "Agreement") with the donor of Jane's Carousel, BBP has agreed that for a period of thirty years, commencing as of the date of the Agreement of May 21, 2010, BBP shall not permanently remove Jane's Carousel from the Park, provided, however, that Jane's Carousel may be temporarily removed for repair, refurbishment, protection from flood or other dangerous natural occurrence, to accommodate necessary excavation work, and for other similar purposes, and that Jane's Carousel shall be promptly reinstalled in the Park after the purpose for which it was removed is concluded.

In addition, the donor has agreed to operate and maintain Jane's Carousel and to fund all costs and expenses of such operation and maintenance of Jane's Carousel.

**NOTE 6 – FUTURE MINIMUM GROUND LEASE REVENUES**

BBP is entitled to future ground lease rents and PILOT payments from the development at 360 Furman Street pursuant to a ground lease entered into by BBPDC and a tenant in February 2008. The ground lease is for a 99-year term expiring in 2107. The ground lease provides for base annual rental payments of \$1,250,000 for the first three years and increases 3% annually thereafter.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 6 – FUTURE MINIMUM GROUND LEASE REVENUES (CONTINUED)**

In June 2012, BBP entered into agreements for the development of a hotel and residential development on Pier 1. BBP has entered into ground lease and lease administration agreements which expire in July 2109. The ground leases provide for upfront base rent payments totaling \$5,940,000, which is equal to the base rent payable under such leases for the first lease year. Base rents for years two through four of the ground leases amount to \$800,000 per year and on the first day of the fifth lease year the tenant shall pay the non-refundable sum of \$9,660,000. Commencing on the first day of the tenth lease year and the first day of every fifth lease year thereafter throughout the term, the annual base rent shall be increased by 7.5%. The ground leases also contain provisions for the payment of PILOT, PILOST and PILOMRT to BBP.

In August 2013, BBPDC acquired fee title to a property which automatically became part of BBPDC's Ground Lease with BBP. The cost of acquiring the property of \$9,200,000 was paid by BBP and was reflected as land acquisition costs in nonoperating expenses for the year ended June 30, 2014. BBP then entered into a ground lease agreement, for a portion of the acquired property, with the developer, which expires in July 2109.

During the year ended June 30, 2014, BBP received an initial lease payment from the developer amounting to \$9,350,000, and such payment was used to fund the acquisition of the property. The ground lease provided for a second lease payment of \$17,150,000, which was paid to BBP in August 2014 and base rental payments commencing on the fourth anniversary of the commencement date increasing 3% annually thereafter. The ground lease also contains provisions for the payment of percentage rent, PILOT, PILOST and PILOMRT to BBP. The initial and second lease payments were deemed fully earned and are non-refundable under any circumstances.

In September 2013, BBP entered into an agreement for the development of Empire Stores. Pursuant to this agreement, BBP has entered into a ground lease agreement with the developer which expires in July 2109. During the year ended June 30, 2014, BBP received an initial lease payment from the developer amounting to \$26,000,000. Such initial lease payment was deemed fully earned and is non-refundable under any circumstances. BBP reflected such payment as ground lease rent revenue during the year ended June 30, 2014. The ground lease provides for base annual rents commencing after the third anniversary of the commencement date with escalation clauses for increases in base rent over the term of the lease. The ground lease also contains provisions for the payment of percentage rent, PILOT, PILOST and PILOMRT to BBP.

In December 2013, BBP entered into an agreement for the development of a marina at Pier 5. Pursuant to this agreement, BBP has entered into a ground lease agreement with the developer which expires in December 2043. The ground lease also contains provisions for the payment of percentage rent, PILOT, PILOST and PILOMRT to BBP. The lease for One 15 Brooklyn Marina was terminated, and effective February 1, 2025, BKNY Marina LLC became the new tenant. The termination of the lease amounted to a loss of approximately \$612,000. The ground lease with the new tenant expires in December 2034. During 2025, another lease was terminated and the loss amounted to approximately \$36,000.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 6 – FUTURE MINIMUM GROUND LEASE REVENUES (CONTINUED)**

In July 2016, BBP entered into an agreement for the development of condominium buildings on two parcels of Pier 6. Pursuant to this agreement, BBP has entered into a ground lease agreement with the developer which expires in July 2109. During the year ended June 30, 2017, BBP received two initial lease payments from the developer amounting to approximately \$12,500,000. Such initial lease payments were deferred as of June 30, 2017 as they were refundable pending on a litigation against the construction. During the year ended June 30, 2018, the lawsuit was dismissed and the two initial lease payments were deemed fully earned and are non-refundable under any circumstances.

In addition, the ground lease provided for second lease payments of \$91,500,000, of which \$13,000,000 was paid to BBP in April 2018 and the remainder of \$78,500,000 was paid during the year ended June 30, 2019. The second lease payments were deemed fully earned and are non-refundable under any circumstances. BBP reflected such payments received as ground lease revenue during the year ended June 30, 2019. The ground lease provides for base annual rents commencing after the third anniversary of the commencement date with escalation clauses for increases in base rent over the term of the lease. The ground lease also contains provisions for the payment of percentage rent, PILOT, PILOST, and PILOMRT to BBP.

BBP has lease receivables of \$134,817,856 as of June 30, 2026. Lease revenue of \$3,029,676 and interest revenue of \$8,838,024 were recognized related to lease payments received for the year ended June 30, 2026. The lease terms vary and are specific to each individual tenant.

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For the Year Ended June 30, 2026

**NOTE 6 – FUTURE MINIMUM GROUND LEASE REVENUES (CONTINUED)**

Future rental payments due to BBP to be received under the ground leases are as follows for the years ending June 30:

|              | Principal             | Interest                | Total                   |
|--------------|-----------------------|-------------------------|-------------------------|
| 2027         | \$ (2,623,745)        | \$ 9,034,339            | \$ 6,410,594            |
| 2028         | (2,677,727)           | 9,204,031               | 6,526,304               |
| 2029         | (2,731,569)           | 9,376,734               | 6,645,165               |
| 2030         | (2,785,123)           | 9,552,390               | 6,767,267               |
| 2031         | (3,221,759)           | 9,745,214               | 6,523,455               |
| 2032-2036    | (16,698,570)          | 51,945,340              | 35,246,770              |
| 2037-2041    | (18,032,913)          | 57,645,341              | 39,612,428              |
| 2042-2046    | (19,789,762)          | 63,723,584              | 43,933,822              |
| 2047-2051    | (21,729,107)          | 70,518,423              | 48,789,316              |
| 2052-2056    | (22,912,637)          | 77,883,394              | 54,970,757              |
| 2057-2061    | (23,588,132)          | 85,578,174              | 61,990,042              |
| 2062-2066    | (23,426,193)          | 93,392,677              | 69,966,484              |
| 2067-2071    | (21,950,588)          | 100,987,596             | 79,037,008              |
| 2072-2076    | (18,477,632)          | 107,836,460             | 89,358,828              |
| 2077-2081    | (12,030,707)          | 113,143,253             | 101,112,546             |
| 2082-2086    | (1,219,555)           | 115,725,282             | 114,505,727             |
| 2087-2091    | 15,930,501            | 113,846,560             | 129,777,061             |
| 2092-2096    | 42,220,657            | 104,980,509             | 147,201,166             |
| 2097-2101    | 81,622,629            | 85,471,559              | 167,094,188             |
| 2102-2106    | 139,768,584           | 50,051,710              | 189,820,294             |
| 2107-2110    | 69,171,204            | 7,252,029               | 76,423,233              |
| <b>Total</b> | <u>\$ 134,817,856</u> | <u>\$ 1,346,894,599</u> | <u>\$ 1,481,712,455</u> |

**NOTE 7 – PENSION PLAN**

BBP contributes to the Brooklyn Bridge Park Pension Plan (the “Plan”), a defined contribution plan which covers substantially all of BBP’s employees. Employees will become eligible for the Plan upon the completion of two years of service with BBP. The Plan is administered by BBP and BBP may choose to amend and/or terminate the Plan at any time.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 7 – PENSION PLAN (CONTINUED)**

The Plan provides for variable contribution rates by BBP ranging from 6% to 14% of the employee's eligible wages as defined in the Plan document. Employee contributions to the Plan are not permitted. Employees become vested after the completion of two years of service with BBP and non-vested employer contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the Plan's administrative expenses. There were no forfeitures for the year ended June 30, 2026.

Pension expense included in personnel costs in the accompanying statements of revenues, expenses and changes in net position for the year ended June 30, 2026 amounted to \$836,183.

**NOTE 8 – CONCENTRATION OF CREDIT RISK**

As of June 30, 2026, the cash balances of BBP's deposits were \$60,121,405, of which \$500,000 was covered by FDIC insurance and investment balances were \$28,279,252, of which \$1,900,000 was covered by Securities Investor Protection Corporation ("SIPC") insurance limits, and excess of SIPC coverage and the remaining balance was collateralized. The uninsured balance was exposed to custodial risk on the basis that the uninsured bank balance is not collateralized. Custodial credit risk is the risk that in the event of bank failure, BBP's deposits may not be returned to it or BBP will not be able to recover collateral securities that are in the name of an outside party. There was approximately \$1,800,000 of cash and cash equivalents that exceed FDIC limits.

BBP has entered into a custodial agreement (the "Agreement") with JP Morgan Chase Bank, N.A. (the "Bank") in which the Bank will deliver to a custodian for deposit the amount of any uninsured deposits of BBP multiplied by a margin factor of 102%. The custodian will hold any eligible securities pledged by the Bank as collateral for the benefit of BBP pursuant to the Agreement. All securities held by the custodian as collateral are registered and are held in BBP's name. As of June 30, 2026, the collateral held by the Bank for the benefit of BBP amounted to \$58,954,535, which consisted of municipal bonds and other governmental securities.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

***CONTINGENCIES FOR FUTURE AUDITS BY GOVERNMENTAL AND OTHER FUNDING SOURCES***

Pursuant to BBP's contractual relationships with certain governmental and other funding sources, such funding sources have the right to examine the books and records of BBP involving transactions relating to these contracts. The accompanying financial statements make no provision for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2026

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**NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***LITIGATION***

BBP is involved in several personal injury actions for which management expects BBP to be fully indemnified. Accordingly, these matters are not expected to have a material adverse effect on BBP's financial condition.

BBP is also involved with a lawsuit related to damages for excessive noise at the Pierhouse Condominium building. BBP is vigorously opposing this litigation.

***PARK SECURITY AGREEMENT WITH THE NEW YORK CITY DEPARTMENT OF PARKS AND RECREATION***

BBP has entered into an agreement with New York City Department of Parks and Recreation ("DPR") for DPR to provide security and enforcement of all applicable laws, rules and regulations in and around the public areas of the Park. The original agreement was through February 28, 2011. The agreement has been renewed annually and was renewed through June 30, 2025, and was then extended through June 30, 2026. Total costs for security expenses amounted to \$2,121,327 for the year ended June 30, 2026.

**NOTE 10 – RESTATEMENT**

Effective July 1, 2025, BBP entered into an operating agreement with the Conservancy, whereas BBP provides administrative and operational support to the Conservancy, and BBP became the sole recipient of any funds raised by the Conservancy. The Conservancy is required to be reported as a component unit under the provisions of GASB Statement No. 14, *The Financial Reporting Entity*. As a result, the net position was restated, as of July 1, 2025 by an increase of \$469,209.

This change in reporting entity and accounting principle has resulted in an adjustment to the net position as of July 1, 2025 of the reporting entity as shown in the table below:

|                                                        |                              |
|--------------------------------------------------------|------------------------------|
| Net Position as of July 1, 2025 - as previously stated | \$ 369,515,456               |
| Prior period adjustment for change in reporting entity | <u>469,209</u>               |
| Net Position as of July 1, 2025 – as restated          | <u><u>\$ 369,984,665</u></u> |