Brooklyn Bridge Park Corporation d/b/a
Brooklyn Bridge Park
Meeting of the Directors
Held at 334 Furman Street
Brooklyn, NY
October 3, 2019

MINUTES

The following members of the Board of Directors were present:

Joanne Witty – Vice Chair
Peter Aschkenasy
Martin Connor
Ali Davis
Henry B. Gutman
Edna Wells Handy1
James Katz
Martin Maher
Stephen Merkel
Susannah Pasquantonio2
William Vinicombe
Matthew Wing

Also present was the staff of Brooklyn Bridge Park Corporation (“BBP”).

Vice Chair Witty called the meeting to order at approximately 11:02 a.m. Amy Lojek, BBP’s General Counsel and Secretary of the Corporation, confirmed that a quorum was present. Prior to proceeding with the agenda items, Vice Chair Witty welcomed the Board and BBP staff.

1. Approval of Minutes

Upon motion duly made and seconded, the minutes of the July 31, 2019 Board of Directors meeting were unanimously approved.

2. Presentation of the President’s Report (Non-Voting Item), Annual Report and Annual Audit Report (Non-Voting Item), and Approval of Audited Fiscal Year 2019 Financial Statements and Investment Report

Eric Landau, BBP’s President, provided updates on: (i) the 4th of July fireworks in the East River between the Brooklyn Bridge and Pier 6, thanking BBP staff for their hard work planning and implementing that event; (ii) the opening of the visitor center at the Boathouse; (iii) the opening of the Ample Hills concession at the Fulton Ferry Landing, and the planned Fireboat concession expected to open summer 2020; (iv) the construction of the Pier 2 Uplands, which is on schedule for a summer 2020 opening; (v) the greenway reconstruction, which is on schedule for completion in late 2019; and (vi) the re-construction of Squibb Bridge and the closure of Squibb Park.

1 Present from Item 5 until end of meeting.
2 Present from Item 2 until end of meeting.
Mr. Landau reviewed programming in the Park, including: (i) Photoville’s 8th year in the Park; (ii) the 20th anniversary of Brooklyn Bridge Park Conservancy’s Movies With a View Series; (iii) Brooklyn Nets “Practice in the Park”; and (iv) the Conservancy’s Harvest Fest in October.

Mr. Landau provided a brief introduction to the items on the agenda, namely the audit and BBP staff’s recent re-development of BBP’s vision, mission, and values statements, as well as a presentation of BBP’s efforts to increase M/WBE participation in BBP contracts.

Jelani Watkins, BBP’s Chief Financial Officer, presented the Annual Report and Annual Audit Report and requested the Board of Directors approve the Audited Fiscal Year 2019 Financial Statements and Investment Report. Mr. Watkins explained that the audit was “clean” with no recommendations from the auditor.

Director Merkel, Chair of the Audit & Finance Committee confirmed that the Audit & Finance Committee had reviewed and approved the Audited Fiscal Year 2019 Financial Statements and Investment Report, and was comfortable proceeding with the authorization.

Upon motion duly made and seconded, the resolutions attached hereto as Schedule A were unanimously adopted.


Ms. Lojek presented ten annual BBP policies for annual review and approval by the Board of Directors, recommending the Board of Directors ratify the eight of the ten BBP policies in their existing form and approve revisions to BBP’s Mission Statement and Procurement Policy. Ms. Lojek explained that BBP staff proposed to restate the Mission Statement concisely while reflecting the current status of BBP and of the park. In the case of the Procurement Policy, Ms. Lojek explained that the revision was a housekeeping matter, to explicitly match the micropurchase and small purchase limits set forth in the City’s Procurement Policy Board Rules, rather than incorporating those limits by reference.

Director Gutman, Chair of the Governance Committee, confirmed that the Governance Committee had reviewed and was comfortable proceeding with the authorization.

Upon motion duly made and seconded, the resolutions attached hereto as Schedule B were unanimously adopted.

4. Authorization to Enter into a Nineteenth Amendment to the Funding Agreement with the City of New York

Lindsey Ross, BBP’s Director of Capital Projects and Restoration, presented a proposed amendment to the existing Funding Agreement, which would increase the City’s total funding commitment to include costs associated with the reconstruction of the parkwide greenway, for consideration and approval by the Board of Directors.

Director Merkel confirmed that the Audit & Finance Committee had reviewed and was comfortable proceeding with the authorization.

Upon motion duly made and seconded, the resolutions attached hereto as Schedule C were unanimously adopted.
5. **Authorization to Enter into an Agreement Relating to Sanitation and Custodial Services**

Jamie Warren, BBP’s Assistant Vice President of Park Operations, presented a proposed agreement for sanitation and custodial services with The Doe Fund, Inc., for consideration and approval by the Board of Directors.

Director Peter Aschkenasy, Chair of the Budget & Operations Committee, confirmed that the Budget & Operations Committee had reviewed and was comfortable proceeding with the authorization.

Upon motion duly made and seconded, the resolutions attached hereto as **Schedule D** were unanimously adopted.

6. **Authorization to Enter into an Agreement Relating to Website Design and Development**

Sarah Krauss, BBP’s Vice President of Public Affairs & Chief of Staff, presented a proposed agreement for website design and development services with Bellweather, LLC., for consideration and approval by the Board of Directors. Ms. Krauss also explained that BBP and the Brooklyn Bridge Park Conservancy were in discussions to resolve intellectual property issues around the website and social media accounts related to the park.

Director Gutman, Chair of the Governance Committee, confirmed that the Governance Committee had reviewed and was comfortable proceeding with the authorization as written.

Upon motion duly made and seconded, the resolutions attached hereto as **Schedule E** were unanimously adopted.

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7. **Public Comment**

There being no members of the public present, no public comment was made.

8. **Adjournment**

Vice Chair Witty noted that the final item on the agenda was an Executive Session and asked the Board whether there was any Director who believed that an Executive Session was necessary.

Hearing none, and there being no further business, Vice Chair Witty requested a motion to adjourn the meeting, and upon the motion being duly made and seconded, the meeting was adjourned at approximately 11:50 a.m.

Respectfully submitted,

_/s/ Amy Lojek_
Amy Lojek
Secretary

Dated: **December 4, 2019**
APPENDIX A

OCTOBER 3, 2019

APPROVAL OF THE FISCAL YEAR 2019 (“FY 2019”) AUDITED FINANCIAL STATEMENTS AND INVESTMENT REPORT AND AUTHORIZATION TO TAKE RELATED ACTIONS

BE IT RESOLVED that the FY 2019 audited financial statements of Brooklyn Bridge Park Corporation (“BBP”) attached hereto as Exhibit A and as certified as accurate by the President and Chief Financial Officer of BBP as set forth in Exhibit B are hereby approved; and be it further

RESOLVED, that the FY 2019 Investment Report attached hereto as Exhibit C is hereby approved; and be it further

RESOLVED, that the President of BBP or their designee(s) be authorized to present the above-referenced audited financial statements, certification, and investment report to the sole member of BBP; and be it further

RESOLVED, that the President of BBP or their designee(s) be authorized to report the audited financial statements and investment report and post them on its website in accordance with the provisions of PAAA; and be it further

RESOLVED, that the President of BBP and their designee(s) be and each hereby is authorized and empowered to take all actions as the President or their designee(s) may deem necessary or appropriate to effectuate these resolutions.

* * *

* 3 2019

ATTACHMENT A
EXHIBIT A

FY 2019 AUDITED FINANCIAL STATEMENTS
[Attached]
BROOKLYN BRIDGE PARK CORPORATION
(D/B/A BROOKLYN BRIDGE PARK)
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

Financial Statements
(Together with Independent Auditors’ Report)

Years Ended June 30, 2019 and 2018
BROOKLYN BRIDGE PARK CORPORATION
(D/B/A BROOKLYN BRIDGE PARK)
(A COMPONENT UNIT OF THE CITY OF NEW YORK)

FINANCIAL STATEMENTS
(Together with Independent Auditors’ Report)

YEARS ENDED JUNE 30, 2019 AND 2018

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<td>Notes to Financial Statements</td>
<td>11-21</td>
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</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of
Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park)

We have audited the accompanying financial statements of Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park) (“BBP”), a component unit of The City of New York, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise BBP’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. 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 Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park) as of June 30, 2019 and 2018, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 7 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.

New York, NY
September 26, 2019
MANAGEMENT’S DISCUSSION AND ANALYSIS

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 years ended June 30, 2019 and 2018.

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 statements of net position, the statements of revenues, expenses and changes in net position, the statements 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.

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS

ORGANIZATION OVERVIEW

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, 8 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. The analysis focused on finding uses that would (1) generate sufficient revenue to support park operations, (2) minimize the size of the required development footprint, and (3) be compatible with the surrounding park and neighborhood uses. Development locations were chosen to (1) take advantage of the existing urban context by concentrating development on The City side of the site, particularly around the park entrances (2) maintain the protected view corridor from the Brooklyn Heights Promenade, and (3) create vital, active urban junctions at each of the Park’s three main entrances.

FINANCIAL HIGHLIGHTS:

Pursuant to its funding between The City and the New York City Department of Parks and Recreation (“DPR”), during the year ended June 30, 2019, BBP spent $5,399,753 on eligible capital project costs. Since June 30, 2011, BBP processed the eighth through sixteenth funding agreements. These agreements revised the total amounts from $132,111,000 to $285,084,000, respectively.

During the year ended June 30, 2018, BBP received $14,620,414 in capital funds from The City pursuant to its funding agreement between The City and the DPR. During the year ended June 30, 2018, BBP spent $14,228,788 on eligible project costs.
The following summarizes the activities of BBP for the years ended June 30:

### OPERATING REVENUES:

#### FY2019 VS FY2018

The operating revenues for the year ended June 30, 2019 increased by $30,795,341 from $57,491,881 to $88,287,222 primarily due to the lump sum ground payments totaling of $78,500,000 from the Pier 6 Development Site pursuant to the lease agreements with the developers of the Pier 6 and Empire Stores development sites.

#### FY2018 vs FY2017

The operating revenues for the year ended June 30, 2018 increased by $20,063,809 from $37,428,072 to $57,491,881, primarily due to the one-time lump sum rent payment of $25,500,000 from the Pier 6 Development Site and Payment in Lieu of Mortgage Recording Tax (PILOMRT) payments totaling $10,639,323 pursuant to the lease agreements with the developers of the Pier 6 and Empire Stores development sites. The year-to-year variance is also attributable to participation rent and sales transfer fees totaling $15,358,307 received in the prior year.
FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

OPERATING EXPENSES:

**FY2019 vs. FY2018**

BBP’s operating expenses decreased from the year ended June 30, 2018 by $4,572,364 from $31,123,648 to $26,551,284. The depreciation expense decreased from $16,562,256 to $13,123,280. Professional fees decreased from $2,540,798 to $1,985,042 primarily due to lower legal expenses than the prior year. Offsetting the decreases were increases in security and personnel costs attributed to park growth, usage, and the additional staff required to maintain the Park and the administrative functions.

**FY2018 vs. FY2017**

BBP’s operating expenses increased from the year ended June 30, 2017 by $12,483,588 from $18,640,060 to $31,123,648. The depreciation expense increased from $7,165,165 to $16,562,256. The increase in depreciation is related to improvements on existing park assets and new assets placed into service in FY2018 which includes the completion of the Pier 5 uplands, maintenance & operations building, boathouse and maritime maintenance work on various piers. The increases in Personnel Costs, Security, and Repairs and Maintenance are attributed to park growth and usage and the additional staff required to maintain the Park and the administrative functions.

NONOPERATING REVENUES:

**FY2019 vs. FY2018**

BBP’s nonoperating revenues decreased from the year ended June 30, 2018 by $7,500,115 from $14,335,304 to $6,835,189. BBP recognizes capital funding as revenue when eligible projects costs are incurred. Therefore, the decrease in capital contributions correlates to a corresponding decrease in capital projects in the current year (see Note 5). BBP did not have any non-operating expenses in the current year.

**FY2018 vs. FY2017**

BBP’s nonoperating revenues decreased from the year ended June 30, 2017 by $6,397,018 from $20,732,322 to $14,335,304. BBP recognizes capital funding as revenue when eligible projects costs are incurred. Therefore, the decrease in capital contributions correlates to a corresponding decrease in capital projects in the current year (see Note 5). BBP did not have any non-operating expenses in the current year.
The following summarizes BBP’s assets, liabilities and net position as of June 30, 2019, 2018 and 2017:

**ASSETS:**

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<tr>
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<tbody>
<tr>
<td>Unrestricted cash and cash equivalents</td>
<td>$99,000,698</td>
<td>$15,687,307</td>
<td>$25,657,660</td>
<td>$83,313,391</td>
<td>$(9,707,353)</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>$30,368,758</td>
<td>$45,576,366</td>
<td>$29,815,636</td>
<td>$15,209,608</td>
<td>$7,762,730</td>
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<tr>
<td>Accounts receivable, net</td>
<td>$967,664</td>
<td>$6,555,254</td>
<td>$15,384,334</td>
<td>$(5,867,590)</td>
<td>$(8,739,000)</td>
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<tr>
<td>Short-term investments</td>
<td>$1,248,791</td>
<td>$1,249,791</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term investments</td>
<td>$51,540,354</td>
<td>$50,136,718</td>
<td>$23,562,387</td>
<td>$26,977,967</td>
<td>$14,175,527</td>
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<tr>
<td>Prepaid expenses</td>
<td>$1,249,791</td>
<td>$1,249,791</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$230,517,845</td>
<td>$232,760,970</td>
<td>$229,556,509</td>
<td>$2,243,125</td>
<td>$3,204,461</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$412,419,285</td>
<td>$350,865,612</td>
<td>$325,274,468</td>
<td>$61,553,673</td>
<td>$25,591,144</td>
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**LIABILITIES:**

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<tr>
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<th>2019</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$4,974,232</td>
<td>$7,413,993</td>
<td>$11,497,670</td>
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<tr>
<td>Security deposits</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Unearned revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$16,571,295</td>
<td>$23,588,749</td>
<td>$38,701,142</td>
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**NET POSITION:**

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<tbody>
<tr>
<td>Invested in capital assets</td>
<td>$227,999,977</td>
<td>$228,950,057</td>
<td>$229,556,509</td>
<td>$(600,580)</td>
<td>$(666,532)</td>
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<tr>
<td>Restricted for capital projects</td>
<td>$16,838,331</td>
<td>$26,586,363</td>
<td>$8,389,696</td>
<td>$(9,748,032)</td>
<td>$(18,197,667)</td>
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<tr>
<td>Unrestricted</td>
<td>$149,011,682</td>
<td>$71,758,443</td>
<td>$48,627,121</td>
<td>$77,253,539</td>
<td>$23,131,322</td>
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<td><strong>Total Net Position</strong></td>
<td>$395,847,990</td>
<td>$327,276,863</td>
<td>$286,573,326</td>
<td>$68,573,127</td>
<td>$40,703,537</td>
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<thead>
<tr>
<th></th>
<th>2019 vs 2018</th>
<th>2018 vs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Position</strong></td>
<td>$412,419,285</td>
<td>$350,865,612</td>
</tr>
</tbody>
</table>

**FY2019 vs. FY2018**

At June 30, 2019, BBP maintained total assets of $412,419,285 which was $61,553,673 higher than total assets of $350,865,612 as of June 30, 2018.

BBP’s current assets as of fiscal year ended June 30, 2018 were $67,967,924 and such amounts increased by $62,473,162 to $130,441,086. Bank deposits consisting of unrestricted and restricted cash and cash equivalents increased by $68,103,783 to $129,369,456 as compared to bank deposits of $61,265,673 held at June 30, 2018. BBP receives operating cash from permits, concessions, and leases. Funding from the DPR was used for capital assets while the operating funding is used for personnel services and daily maintenance and operations of the Park. The increase in restricted and unrestricted cash is net of these costs used to build and maintain the Park.

BBP’s noncurrent assets as of fiscal year ended June 30, 2018 were $282,897,688 and such amounts decreased by $919,489 to $281,978,199 (representing 68% of total assets) as of June 30, 2019. Such amounts consist of capital assets and include site improvements of $222,503,370 for Pier 2, Pier 3/4 uplands, Pier 4 beach, Pier 5, Pier 6, and the Main and John Street sections of the park. Other amounts for Building, improvements, and carousel of $43,849,571, include the Maintenance and Operations facility, Boathouse, Pier 6 Warming Hut, Squibb Park and Bridge, Jane’s Carousel and the educational facility at 99 Plymouth Street. A remaining amount of $19,837,706 was for construction in progress, costs that are primarily incurred in developing the park for projects such as Pier 3, Pier 2 uplands and pile repair.
FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

At June 30, 2019, BBP maintained long term investments valued at $51,460,354 in accordance with BBP’s investment policy. (See Note 3)

The decrease in liabilities of $7,017,454 from June 30, 2018 to June 30, 2019 is primarily due to decreases in accounts payable and unearned revenue due to recognizing revenue for the capital funding spent on BBP construction projects.

Net position as of June 30, 2019 was $395,847,990 of which $227,999,977 was invested in capital assets and $18,836,331 was restricted. The overall increase of 21% or $68,571,127 over net position at June 30, 2019 represents ongoing construction and improvements throughout the park.

**FY2018 vs. FY2017**

At June 30, 2018, BBP maintained total assets of $350,865,612 which was $25,591,144 higher than total assets of $325,274,468 as of June 30, 2017.

BBP’s current assets as of fiscal year ended June 30, 2017 were $72,155,572 and such amounts decreased by $4,187,648 to $67,967,924. Bank deposits consisting of unrestricted and restricted cash and cash equivalents increased by $5,792,377 to $61,265,673 as compared to bank deposits of $55,473,296 held at June 30, 2017. BBP receives operating cash from permits, concessions, and leases. Funding from the DPR was used for capital assets while the operating funding is used for personnel services and daily maintenance and operations of the Park. The increase in restricted and unrestricted cash is net of these costs used to build and maintain the Park.

BBP’s noncurrent assets as of fiscal year ended June 30, 2017 were $253,118,896 and such amounts increased by $29,778,792 to $282,897,688 (representing 81% of total assets) as of June 30, 2018. Such amounts consist of capital assets and include site improvements of $172,284,593 for Pier 2, Pier 3/4 uplands, Pier 4 beach, Pier 5, Pier 6, and the Main and John Street sections of the park. Other amounts for building, improvements, and carousel of $43,849,571 includes the Maintenance and Operations facility, Boathouse, Pier 6 Warming Hut, Squibb Park and Bridge, Jane’s Carousel and the educational facility at 99 Plymouth Street. A remaining amount of $59,236,691 was for construction in progress, costs that are primarily incurred in developing the park for projects such as Pier 3, Pier 2 uplands and pile repair.

At June 30, 2018, BBP maintained long term investments valued at $50,136,718 in accordance with BBP’s investment policy. (See Note 3)

The decrease in liabilities of $15,112,393 from June 30, 2017 to June 30, 2018 is primarily due to decreases in accounts payable and unearned revenue due to recognizing revenue for the capital funding spent on BBP construction projects.

Net position as of June 30, 2018 was $327,276,863 of which $228,950,057 was invested in capital assets and $26,568,363 was restricted. The overall increase of 14% or $40,703,537 over net position at June 30, 2017 represents ongoing construction and improvements throughout the park.

**END**
BROOKLYN BRIDGE PARK CORPORATION
(D/B/A BROOKLYN BRIDGE PARK)
(A COMPONENT UNIT OF THE CITY OF NEW YORK)
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2019 AND 2018

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<tr>
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<th>2019</th>
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<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td>Current assets:</td>
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<tr>
<td>Unrestricted</td>
<td>99,000,698</td>
<td>15,687,307</td>
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<tr>
<td>cash and</td>
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<tr>
<td>cash equivalents</td>
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<tr>
<td>Restricted</td>
<td>30,368,758</td>
<td>45,578,366</td>
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<td>cash and</td>
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<td>cash equivalents</td>
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<td>Accounts</td>
<td>967,664</td>
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<td>receivable, net</td>
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<td>(Note 2D)</td>
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<tr>
<td>Prepaid</td>
<td>103,966</td>
<td>46,997</td>
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<td>expenses</td>
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<tr>
<td>Total current</td>
<td>130,441,086</td>
<td>67,967,924</td>
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<tr>
<td>assets</td>
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<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td>51,460,354</td>
<td>50,136,718</td>
</tr>
<tr>
<td>investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Notes 2G and 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets,</td>
<td>230,517,845</td>
<td>232,760,970</td>
</tr>
<tr>
<td>net of accumulated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Notes 2H and 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total noncurrent</td>
<td>281,978,199</td>
<td>282,897,688</td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$412,419,285</td>
<td>$350,865,612</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>4,974,232</td>
<td>7,413,993</td>
</tr>
<tr>
<td>and accrued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses (Note 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>708,140</td>
<td>708,140</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>7,977,318</td>
<td>12,677,470</td>
</tr>
<tr>
<td>(Notes 2C, 2D and 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current</td>
<td>13,659,690</td>
<td>20,799,603</td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncurrent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>2,911,605</td>
<td>2,789,146</td>
</tr>
<tr>
<td>Total noncurrent</td>
<td>2,911,605</td>
<td>2,789,146</td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,571,295</td>
<td>23,588,749</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Note 2I)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in</td>
<td>227,999,977</td>
<td>228,950,057</td>
</tr>
<tr>
<td>capital assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for</td>
<td>18,836,331</td>
<td>26,568,363</td>
</tr>
<tr>
<td>capital projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Note 2F)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>149,011,682</td>
<td>71,758,443</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>395,847,990</td>
<td>327,276,863</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$412,419,285</td>
<td>$350,865,612</td>
</tr>
</tbody>
</table>

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)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits and other fees</td>
<td>$1,664,303</td>
<td>$1,891,644</td>
</tr>
<tr>
<td>Payments in lieu of all taxes and ground lease rent (Notes 2D and 6)</td>
<td>86,622,919</td>
<td>55,600,237</td>
</tr>
<tr>
<td><strong>Total operating revenues (Note 2B)</strong></td>
<td><strong>88,287,222</strong></td>
<td><strong>57,491,881</strong></td>
</tr>
<tr>
<td>OPERATING EXPENSES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel costs (Note 7)</td>
<td>5,574,684</td>
<td>5,037,011</td>
</tr>
<tr>
<td>Utilities</td>
<td>338,379</td>
<td>367,779</td>
</tr>
<tr>
<td>Professional fees</td>
<td>1,985,042</td>
<td>2,540,798</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>2,787,766</td>
<td>3,801,988</td>
</tr>
<tr>
<td>Security (Note 9C)</td>
<td>1,589,482</td>
<td>1,559,797</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,123,280</td>
<td>16,562,256</td>
</tr>
<tr>
<td>Other general, administrative and project expenses</td>
<td>1,152,651</td>
<td>1,254,019</td>
</tr>
<tr>
<td><strong>Total operating expenses (Note 2B)</strong></td>
<td><strong>26,551,284</strong></td>
<td><strong>31,123,648</strong></td>
</tr>
<tr>
<td>Operating income</td>
<td>61,735,938</td>
<td>26,368,233</td>
</tr>
<tr>
<td>NONOPERATING REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and other contributions (Note 5A)</td>
<td>5,399,753</td>
<td>14,228,788</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,374,095</td>
<td>87,309</td>
</tr>
<tr>
<td>Other interest income</td>
<td>61,341</td>
<td>19,207</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues</strong></td>
<td><strong>6,835,189</strong></td>
<td><strong>14,335,304</strong></td>
</tr>
<tr>
<td>CHANGE IN NET POSITION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>327,276,863</td>
<td>286,573,326</td>
</tr>
<tr>
<td><strong>NET POSITION, END OF YEAR</strong></td>
<td><strong>$395,847,990</strong></td>
<td><strong>$327,276,863</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CASH FLOWS FROM OPERATING ACTIVITIES:
Cash receipts from:
- Customer payments: $2,057,560 in 2019, $16,668,243 in 2018
- Tenant payments: $92,616,853 in 2019, $38,112,628 in 2018
  Total cash receipts from operating activities: $94,674,413 in 2019, $54,780,871 in 2018

Cash payments for:
- Personnel costs: ($5,516,462) in 2019, ($5,045,600) in 2018
- Services and supplies: ($7,630,848) in 2019, ($9,820,698) in 2018
  Total cash payments for operating activities: ($13,147,310) in 2019, ($14,866,298) in 2018

Net Cash Provided by Operating Activities: $81,527,103 in 2019, $39,914,573 in 2018

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:
- Payments from lessees - security deposits: $122,459 in 2019, $99,668 in 2018
  Net Cash Provided by Noncapital Financing Activities: $122,459 in 2019, $99,668 in 2018

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
- Capital and other contributions received: $14,550,414 in 2019
- Capital asset expenditures: ($13,657,579) in 2019, ($23,554,254) in 2018
  Net Cash Used in Capital and Related Financing Activities: ($13,657,579) in 2019, ($9,003,840) in 2018

CASH FLOWS FROM INVESTING ACTIVITIES:
- Purchases of investments: ($26,249,992) in 2019, ($32,092,790) in 2018
- Securities matured: $25,410,000 in 2019, $6,500,000 in 2018
- Interest received: $951,792 in 2019, $374,766 in 2018
  Net Cash Provided by (Used in) Investing Activities: $111,800 in 2019, ($25,218,024) in 2018

NET INCREASE IN CASH AND CASH EQUIVALENTS: $68,103,783 in 2019, $5,792,377 in 2018

Cash and cash equivalents - beginning of year: $61,265,673 in 2019, $55,473,296 in 2018

CASH AND CASH EQUIVALENTS—END OF YEAR: $129,369,456 in 2019, $61,265,673 in 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:
- Operating income: $61,735,938 in 2019, $26,368,233 in 2018
- Adjustments to reconcile operating income to net cash provided by operating activities:
  - Depreciation and amortization: $13,123,280 in 2019, $16,562,256 in 2018
  - Changes in operating assets and liabilities:
    - Accounts receivable: $5,687,590 in 2019, $8,739,000 in 2018
    - Prepaid expenses: ($56,969) in 2019, ($8,766) in 2018
    - Accounts payable and accrued expenses: $337,663 in 2019, ($296,140) in 2018
    - Unearned revenue: $699,601 in 2019, ($11,450,010) in 2018
  - Net Cash Provided by Operating Activities: $81,527,103 in 2019, $39,914,573 in 2018

RECONCILIATION TO CASH AND CASH EQUIVALENTS, END OF YEAR:
- Unrestricted cash and cash equivalents: $99,000,698 in 2019, $15,687,307 in 2018
- Restricted cash and cash equivalents: $30,368,758 in 2019, $45,578,366 in 2018

CASH AND CASH EQUIVALENTS—END OF YEAR: $129,369,456 in 2019, $61,265,673 in 2018

Supplemental Disclosure of Cash Flow Information:
- Noncash capital and related financing transactions:
  - Accrued capital asset expenditures: $3,555,109 in 2019, $6,332,533 in 2018

The accompanying notes are an integral part of these financial statements.
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”) and is a public charity and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. 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 Mayor of New York City, 8 of whom are nominated by 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 comprehensive annual financial report pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 14, The Financial Reporting Entity, as amended.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 the GASB.

B. 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, rental 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.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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.

D. Revenues from Ground Lease Rents and Payments in Lieu of Taxes

Rent is recognized as earned in accordance with the contractual terms of the lease to which it relates. 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, 2019 and 2018, BBP determined that no allowance was necessary for these receivables.

E. 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.

F. Restricted Assets

Restricted assets consist of cash and cash equivalents and investments 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.

G. 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 revenue, 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.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site improvements</td>
<td>10 to 30 years</td>
</tr>
<tr>
<td>Carousel</td>
<td>50 years</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>15 to 25 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>3 to 5 years</td>
</tr>
</tbody>
</table>

I. Net Position

BBP’s net position is classified in the following categories: invested in capital assets, consisting of project assets, net of accumulated depreciation and amortization; 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.

J. Use of Estimates

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

K. 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 the future years.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, ("GASB 83"). GASB 83 addresses accounting and financial reporting for certain asset retirement obligations. This statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for asset retirement obligations. The requirements of GASB 83 are effective for fiscal years beginning after June 15, 2018, but was adopted in the current fiscal year. The adoption of GASB 83 did not have an impact on BBP’s financial statements as it has no such obligations.

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, ("GASB 84"). The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of GASB 84 are effective for fiscal years beginning after December 15, 2018. BBP has not completed the process of evaluating GASB 84, but does not expect it to have an impact on BBP’s financial statements, as it does not enter in fiduciary activities.

- In March 2017, GASB issued Statement No. 85, *Omnibus 2017*, ("GASB 85"). The objective of GASB 85 is to address practice issues that have been identified during implementation and application of certain GASB statements. The requirements of GASB 85 are effective for fiscal years beginning after June 15, 2017. The adoption of GASB 85 did not have an impact on BBP’s financial statements.

- In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, ("GASB 86"). The primary objective of GASB 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets are acquired with only existing resources – resources other than the proceeds of refunding debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished. The requirements of GASB 86 are effective for fiscal years beginning after June 15, 2017. The adoption of GASB 86 did not have an impact on BBP’s financial statements.

- In June 2017, GASB issued Statement No. 87, *Leases*, ("GASB 87"). The objective of GASB 87 is to improve accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that 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 requirements of GASB 87 are effective for fiscal years beginning after December 15, 2019. BBP has not completed the process of evaluating GASB 87.

- In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, ("GASB 88"). The objective of GASB 88 is to improve consistency in the information that is disclosed in notes to government financial statements related to debt by defining debt for the purpose of note disclosure and establishes additional note disclosure requirements related to debt obligations of governments, including direct borrowing and direct placements. The requirements of GASB 88 are effective for fiscal years beginning after June 15, 2018. BBP has not completed the process of evaluating GASB 88, but does not expect it to have an impact on BBP’s financial statements.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, (“GASB 89”). The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and cost of borrowing for a reporting period and to simplify accounting for certain interest costs by requiring interest costs incurred before the end of a construction period to be recognized as an expense/expenditure in governmental fund and government-wide financial statements. The requirements of GASB 89 are effective for fiscal years beginning after December 15, 2019. GASB 89 is not expected to have an impact on BBPs financial statements.

- In August 2018, GASB issued Statement No. 90, Majority Equity Interests – An Amendments of GASB Statements No. 14 and No. 61, (“GASB 90”). The objectives of GASB 90 are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB 90 is not expected to have an impact on BBPs financial statements.

- In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. Conduit debt obligations are debt instruments issued by state and local governments to provide financing for a third party, which is primarily liable for repaying the debt instrument. GASB 91 updates Interpretation No. 2, “Disclosure of Conduit Debt Obligations,” which allowed for variations with the option for government issuers to either recognize conduit debt obligations as their own debt or to disclose them. GASB 91 addresses variation in practice by clarifying exactly what a conduit debt obligation is and eliminating the option for government issuers to recognize conduit debt obligations, thereby providing a single method of reporting. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2020. GASB 91 is not expected to have an impact on BBP’s financial statements.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>$ -</td>
<td>$ 747,812</td>
</tr>
<tr>
<td>U.S. Government bonds</td>
<td>51,460,354</td>
<td>49,388,906</td>
</tr>
<tr>
<td></td>
<td><strong>$ 51,460,354</strong></td>
<td><strong>$ 50,136,718</strong></td>
</tr>
</tbody>
</table>

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 FDIC-insured, except when otherwise collateralized.
- Other investments approved by the Comptroller of The City for the investment of City funds.
NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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.

BBP categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; and Level 3 inputs are significant unobservable inputs.

BBP has the following recurring fair value measurements as of June 30, 2019 and 2018:

- Certificates of Deposit are carried at cost which approximate fair value (Level 1 inputs).
- U.S. Government bonds of $51,460,354 and $49,388,906 are valued using a matrix pricing model (Level 2 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, 2019 and 2018 are obligations of, or guaranteed by, the United States of America and certificates of deposit with New York Banks which are Federal Deposit Insurance Corporation insured.

Interest Rate Risk

BBP’s 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

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 investments as defined in the Indenture. As of June 30, 2019 and 2018, 100% and 98%, respectively, of BBP's investments are in eligible government obligations and 0% and 2%, respectively, are Certificates of Deposits with New York Banks.
NOTE 4 – CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Reclassifications</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site improvements</td>
<td>$172,284,593</td>
<td>$50,218,777</td>
<td>$-</td>
<td>$222,503,370</td>
</tr>
<tr>
<td>Building, improvements and carousel</td>
<td>43,849,571</td>
<td>-</td>
<td>-</td>
<td>43,849,571</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>456,850</td>
<td>-</td>
<td>-</td>
<td>456,850</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>1,310,513</td>
<td>60,363</td>
<td>-</td>
<td>1,370,876</td>
</tr>
<tr>
<td><strong>Total project assets</strong></td>
<td><strong>217,901,527</strong></td>
<td><strong>50,279,140</strong></td>
<td><strong>-</strong></td>
<td><strong>268,180,667</strong></td>
</tr>
</tbody>
</table>

Less: accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Reclassifications</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site improvements</td>
<td>(41,074,896)</td>
<td>(12,434,969)</td>
<td>-</td>
<td>(53,509,865)</td>
</tr>
<tr>
<td>Building improvements and carousel</td>
<td>(2,012,293)</td>
<td>(438,710)</td>
<td>-</td>
<td>(2,451,003)</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>(297,637)</td>
<td>(95,458)</td>
<td>-</td>
<td>(393,095)</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>(992,422)</td>
<td>(154,143)</td>
<td>-</td>
<td>(1,146,565)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td><strong>(44,377,248)</strong></td>
<td><strong>(13,123,280)</strong></td>
<td><strong>-</strong></td>
<td><strong>(57,500,528)</strong></td>
</tr>
</tbody>
</table>

Construction in progress 59,236,691 12,486,488 (51,885,473) 19,837,706

Net project assets $232,760,970 $49,642,348 $(51,885,473) $230,517,845

The changes in capital assets for the year June 30, 2018 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Reclassifications</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site improvements</td>
<td>$113,276,437</td>
<td>$59,008,156</td>
<td>$-</td>
<td>$172,284,593</td>
</tr>
<tr>
<td>Building, improvements and carousel</td>
<td>32,133,842</td>
<td>11,715,729</td>
<td>-</td>
<td>43,849,571</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>383,085</td>
<td>73,765</td>
<td>-</td>
<td>456,850</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>1,177,479</td>
<td>133,034</td>
<td>-</td>
<td>1,310,513</td>
</tr>
<tr>
<td><strong>Total project assets</strong></td>
<td><strong>146,970,843</strong></td>
<td><strong>70,930,684</strong></td>
<td><strong>-</strong></td>
<td><strong>217,901,527</strong></td>
</tr>
</tbody>
</table>

Less: accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Reclassifications</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site improvements</td>
<td>(25,236,498)</td>
<td>(15,838,398)</td>
<td>-</td>
<td>(41,074,896)</td>
</tr>
<tr>
<td>Building improvements and carousel</td>
<td>(1,563,091)</td>
<td>(449,202)</td>
<td>-</td>
<td>(2,012,293)</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>(205,316)</td>
<td>(92,321)</td>
<td>-</td>
<td>(297,637)</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>(810,087)</td>
<td>(182,335)</td>
<td>-</td>
<td>(992,422)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td><strong>(27,814,992)</strong></td>
<td><strong>(16,562,256)</strong></td>
<td><strong>-</strong></td>
<td><strong>(44,377,248)</strong></td>
</tr>
</tbody>
</table>

Construction in progress 110,400,658 23,425,698 (74,589,665) 59,236,691

Net project assets $229,556,509 $77,794,126 $(74,589,665) $232,760,970

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 $3,555,109 and $6,332,533 were accured as of June 30, 2019 and 2018, respectively, which will be paid upon receipt and review of the contractor invoices.
NOTE 5 – GRANTS AND CONTRIBUTIONS

A. Capital Contributions from Government Sources

During the years ended June 30, 2019 and 2018, BBP received capital funding for projects totaling $ - and $14,620,414, respectively. During the years ended June 30, 2019 and 2018, BBP spent $5,399,753 and $14,228,788 respectively, on 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. The estimated dates of completion for projects range from Summer 2020 through Summer 2023.

Included in capital and other contributions in the accompanying statements of revenue, expenses and changes in net position are revenues derived from capital contracts with The City, which amounted to $5,399,753 and $14,228,788 for the years ended June 30, 2019 and 2018, respectively. Such amounts represented approximately 6% and 20%, respectively, of total revenues.

B. 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 for a period of ten years from the date of commencement of operation 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 increasing 3% annually thereafter.

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.
NOTE 6 – FUTURE MINIMUM GROUND LEASE REVENUES (Continued)

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 in the accompanying financial statements 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 is 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 in the accompanying financial statements. 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.

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 as described in Note 9B. 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 in the accompanying financial statements. 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.
NOTE 6 – FUTURE MINIMUM GROUND LEASE REVENUES (Continued)

The future minimum base rent to be received under the ground leases during each of BBP’s five fiscal years ending from June 30, 2020 through 2024, each five-year period from fiscal years ending from June 30, 2025 through 2069 and through the end of the lease terms (thereafter), are approximately as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rent (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>5,322,000</td>
</tr>
<tr>
<td>2021</td>
<td>5,475,000</td>
</tr>
<tr>
<td>2022</td>
<td>5,641,000</td>
</tr>
<tr>
<td>2023</td>
<td>5,062,000</td>
</tr>
<tr>
<td>2024</td>
<td>5,062,000</td>
</tr>
<tr>
<td>2025-2029</td>
<td>31,451,000</td>
</tr>
<tr>
<td>2030-2034</td>
<td>35,262,000</td>
</tr>
<tr>
<td>2035-2039</td>
<td>39,569,000</td>
</tr>
<tr>
<td>2040-2044</td>
<td>43,833,000</td>
</tr>
<tr>
<td>2045-2049</td>
<td>46,838,000</td>
</tr>
<tr>
<td>2050-2054</td>
<td>52,693,000</td>
</tr>
<tr>
<td>2055-2059</td>
<td>59,346,000</td>
</tr>
<tr>
<td>2060-2064</td>
<td>66,953,000</td>
</tr>
<tr>
<td>2065-2069</td>
<td>75,856,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,050,603,000</td>
</tr>
</tbody>
</table>

$1,528,966,000

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.

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 years ended June 30, 2019 and 2018, respectively.

Pension expense included in personnel costs in the accompanying statements of revenues, expenses and changes in net position for the years ended June 30, 2019 and 2018 amounted to $263,772 and $232,106 respectively.

NOTE 8 – CONCENTRATION OF CREDIT RISK

As of June 30, 2019, the bank balance of BBP’s deposits was $129,369,456, of which $750,000 was covered by Federal Deposit Insurance Corporation (“FDIC”) insurance and the rest was uninsured. As of June 30, 2018, the bank balance of BBP’s deposits was $61,353,793, of which $750,000 was covered by FDIC insurance and the remainder was partly collateralized and partly uninsured as described in the following paragraph. 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.
NOTE 8 – CONCENTRATION OF CREDIT RISK (Continued)

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, 2019 and 2018, the collateral held by the Bank for the benefit of BBP amounted to $130,857,912 and $61,545,323 respectively, which consisted of U.S. Treasury securities.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. 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.

B. 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.

C. 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 and was subsequently renewed through June 30, 2016. There is an option in the agreement to renew for up to four one year periods up to June 30, 2020. Total costs for security expenses amounted to $1,589,482 and $1,559,797 for the years ended June 30, 2019 and 2018, respectively. The agreement is in the process of being renewed up to June 30, 2020.
EXHIBIT B

Brooklyn Bridge Park Corporation d/b/a
Brooklyn Bridge Park ("BBP")
Certification of Audited Financial Statements
in accordance with
Section 2800 of the Public Authorities Law

Based upon our knowledge, we, the undersigned, certify that the information provided in the attached audited financials of BBP for the BBP fiscal year ending June 30, 2019 (a) is accurate and correct and does not contain any untrue statement of material fact; (b) does not omit any material fact which, if omitted, would cause the audited financials to be misleading in light of the circumstances under which the statements are made; and (c) fairly presents in all material respects the financial condition and results of operations of BBP of, and for, the periods presented in the audited financials.

Eric Landau, President

Jelani Watkins, Chief Financial Officer

October 3, 2019
Brooklyn Bridge Park Corporation

ANNUAL INVESTMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Investment Guidelines and Amendments

Attached hereto is the current investment policies, procedures and guidelines (the “Investment Guidelines”) of Brooklyn Bridge Park Corporation (“BBP”). In the fiscal year ended June 30, 2017, the Board did not approve any changes to the Investment Guidelines previously adopted.

Investment Guidelines

I. Purpose

The purpose of this document is to establish policies, procedures and guidelines regarding the investing, monitoring and reporting of funds of the Brooklyn Bridge Park Corporation (“BBP”).

II. Scope of the Investment Policy

This policy applies to the funds of BBP, which for purposes of these guidelines consist of all moneys and other financial resources available for investment by BBP on its own behalf or on behalf of any other entity or individual.

III. Investment Objectives

The portfolio shall be managed to accomplish the following objectives:

A. Preservation of Principal – The single most important objective of BBP’s Investment program is the preservation of principal of funds within the portfolio.

B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of BBP.

C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments as stated below, taking into account the other investment objectives.

IV. Implementation of Guidelines

The President, or any designee, shall be responsible for the prudent investment of funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with these guidelines.
V. Authorized Investments

A. The President, or any duly appointed designee, is authorized to invest funds of BBP as summarized and restricted below:

1. U.S. Treasury Obligations. United States Treasury bills and notes, and any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.

2. Federal Agency Obligation. Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States.

3. Commercial Paper. Commercial paper rated A1 or P1 by Standard & Poor’s Corporation or Moody’s Investor’s Service, Inc. or Fitch.

4. Bankers’ Acceptances and Time Deposits of banks with worldwide assets in excess of $50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.

5. Certificates of Deposit with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation (“FDIC”) insured, except when otherwise collateralized.

6. Other investments approved by the comptroller of New York City for the investment of City funds.

B. In addition to the above investments, BBP may deposit funds in the following (“Deposit Accounts”), with respect to funds needed for operational expenses and funds awaiting investment or disbursement:

1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.

2. 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.
VI. Written Contracts

BBP shall enter into written contracts pursuant to which investments are made which conform with the requirements of these guidelines and section 2925.3© of the Public Authorities Law unless the President determines that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction.

VII. Diversification

The portfolio shall be structured to diversify investments to reduce the risk of loss resulting from over concentration of assets in a specific maturity a specific issuer or a specific type of security. The Maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>U.S Treasury</td>
<td>100% Maximum</td>
</tr>
<tr>
<td>B.</td>
<td>Federal Agency</td>
<td>100% Maximum</td>
</tr>
<tr>
<td>C.</td>
<td>Commercial Paper</td>
<td>25% Maximum</td>
</tr>
<tr>
<td>D.</td>
<td>Bankers Acceptances and Time Deposits</td>
<td>25% Maximum</td>
</tr>
<tr>
<td>E.</td>
<td>Certificate of Deposit</td>
<td>20% Maximum</td>
</tr>
<tr>
<td>F.</td>
<td>Other Investments Approved by Comptroller for City Funds</td>
<td>A percentage deemed prudent by President</td>
</tr>
</tbody>
</table>

VIII. Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of BBP is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this investment policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash equivalents and Investments. Assets categorized as Cash Equivalents will be invested in permitted investments maturing in ninety (90) days or less or deposited in Deposit Accounts. Assets Categorized as Investments will be invested in permitted investments with a stated maturity of no more than two years from the date of purchase.
IX. Monitoring and Adjusting the Portfolio

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the investment objectives listed above. It is recognized and understood that the non-speculative active management of portfolio holding may cause a loss on the sale of an owned investment.

X. Internal Controls

The Treasurer or an Assistant Treasurer, under the direction of the President, shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

XI. Eligible Brokers, Agents, Dealers, Investment Advisors, Investment Bankers and Custodians.

The following are the standards for the qualification of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents, Dealers
   1. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America, any national banking association or any registered broker/dealer or government securities dealer.
   2. In Municipal Securities: any broker, dealer or Municipal securities dealer registered with the Securities and Exchange Commission (The “SEC”)

B. Investment Advisors: Any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers: firms retained by BBP to serve as senior managing underwriters for negotiated sales must be registered with the SEC.

D. Custodians: any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than $50,000,000.
XII. Reporting

A. Quarterly:

The Treasurer or an Assistant Treasurer, under the direction of the President, or any duly appointed designees, shall prepare and deliver to the Audit and Finance Committee of the Board of Directors once for each quarter of BBP’s fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. Audit – BBP’s independent accountants shall conduct an annual audit of BBP’s investments for each fiscal year, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.

2. Investment Report – Annually, the Treasurer or an Assistant Treasurer, under the direction of the President, or any duly appointed designees, shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
   a. The Investment Guidelines and amendments thereto since the last report;
   b. An explanation of the Guidelines and any amendments made since the last report;
   c. The independent audit report required by subsection (1) above;
   d. The investment income record for the fiscal year; and
   e. A list of fees, commission or other charges paid to each investment banker, broker, agent, dealer, and advisor rendering investment associated services to BBP since the last report.

The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XIII. Applicability

Nothing contained in these guidelines shall be deemed to alter, affect the validity of, modify the terms of, or impair any contract, agreement or investments of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.
XIV. Conflict of Law

In the event that any portion of this policy is in conflict with any State, City or Federal law, that law will prevail.

Other Restrictions

These Investment Guidelines do not modify any restriction, if any, otherwise imposed on various types of funds held by BBP; for example, any restrictions set forth in BBP’s annual contracts with the City, or resulting from the source of funds (e.g. federal funds). Those other restrictions, to the extent inconsistent with these Investment Guidelines, shall govern.
SCHEDULE OF INVESTMENTS

Brooklyn Bridge Park Corporation
(a component unit of the City of New York)
Year End June 30, 2019
With Report of Independent Auditors
Brooklyn Bridge Park Corporation
(A Component Unit of the City of New York)

Schedule of Investments

Year Ended June 30, 2019

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Independent Auditors’ Report

To the Board of Directors of
Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park)

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Brooklyn Bridge Park Corporation (d/b/a Brooklyn Bridge Park) ("BBP"), a component unit of The City of New York, as of and for the year ended June 30, 2019, and have issued our report thereon dated September 26, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that BBP had not complied, in all material respects, with the terms, covenants, provisions or conditions of the Investment Guidelines adopted by the Board of Directors on July 21, 2010 insofar as they relate to financial and accounting matters. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with the Investment Guidelines referred to above. Accordingly, we do not express such an opinion.

This report is intended for the information of BBP’s Audit and Finance Committee, Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties, unless permission is granted.

New York, NY
September 26, 2019
Brooklyn Bridge Park Corporation  
(A Component Unit of the City of New York)  

Schedule of Investments

The accompanying notes are an integral part of this schedule.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>$ -</td>
<td>$ 747,812</td>
</tr>
<tr>
<td>U.S. Government Bonds</td>
<td>$ 51,460,354</td>
<td>$ 49,388,906</td>
</tr>
<tr>
<td>Total</td>
<td>$ 51,460,354</td>
<td>$ 50,136,718</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this schedule.
Brooklyn Bridge Park Corporation  
(A Component Unit of the City of New York)  

Notes to Schedule of Investments  

June 30, 2019  

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS  

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 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.  

BBP categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; and Level 3 inputs are significant unobservable inputs.  

BBP has the following recurring fair value measurements as of June 30, 2019 and 2018:  

- Certificates of Deposit are carried at cost which approximate fair value (Level 1 inputs).  
- U.S. Government bonds of $51,460,354 and $49,388,906 are valued using a matrix pricing model (Level 2 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, 2019 and 2018 are obligations of, or guaranteed by, the United States of America and certificates of Deposits with New York Banks and are Federal Deposit Insurance Corporation insured.
Interest Rate Risk

BBP’s 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

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 investments as defined in the Indenture. As of June 30, 2019, and 2018, 100% and 98%, respectively, of BBP’s investments are in eligible government obligations and 0% and 2%, respectively are Certificates of Deposits with New York Banks.
ANNUAL APPROVAL OF POLICIES RELATING TO THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED BY THE PUBLIC AUTHORITIES REFORM ACT OF 2009 AND AUTHORIZATION TO TAKE RELATED ACTIONS

BE IT RESOLVED that the policies set forth below are hereby approved:

- Mission Statement, adopted on October 2, 2012, and amended on October 3, 2019;
- Contracts by the Corporation - Procurement Policy, adopted on June 11, 2015, and amended on October 3, 2019;
- Investment Guidelines, adopted on July 21, 2010;
- Salary, Compensation, Travel, Reimbursements, Time and Attendance Policy, adopted on October 10, 2018;
- Code of Ethics for Members, Directors and Officers, adopted on September 22, 2010;
- Policy on the Acquisition and Disposition of Real Property, adopted on February 29, 2012;
- Policy on the Disposition of Personal Property, adopted on February 29, 2012;
- Policy on Protection for Whistleblowers, adopted on December 5, 2011;
- Policy on Indemnification and Defense of Members, Directors and Officers, adopted on December 5, 2011; and
- Policy on Extension of Credit to Officers, Directors and Employees, adopted on December 5, 2011;

and be it further

RESOLVED, that the President of BBP and their designee(s) be and each hereby is authorized and empowered to take all actions as the President or their designee(s) may deem necessary or appropriate to effectuate these resolutions.

*   *   *
AUTHORIZATION TO ENTER INTO A NINETEENTH AMENDMENT TO THE FUNDING AGREEMENT WITH THE CITY OF NEW YORK AND AUTHORIZATION TO TAKE RELATED ACTIONS

RESOLVED, that Brooklyn Bridge Park Corporation ("BBP") is hereby authorized to enter into a Nineteenth Amendment to its Funding Agreement with The City of New York (the "City") for the development of Brooklyn Bridge Park, to increase the funding commitment by the City by $1,000,000 for reconstruction of the Parkwide Greenway, for a total funding commitment by the City of $291,095,000; and be it further

RESOLVED, that the President of BBP, or their designee(s), be, and each of them hereby is, authorized and directed, in the name and on behalf of BBP, to execute and deliver any and all documents and take all such actions as the President of BBP or their designee(s) may deem necessary or proper to effectuate the foregoing and in connection with the implementation of the work pursuant to the agreement.

*   *   *

A-1
AUTHORIZATION TO ENTER INTO AN AGREEMENT RELATING TO SANITATION AND CUSTODIAL SERVICES
AND AUTHORIZATION TO TAKE RELATED ACTIONS

BE IT RESOLVED, that BBP is hereby authorized to enter into contract with The Doe Fund, Inc. for the
performance of sanitation and custodial services within the Park for a not-to-exceed contract price of
$500,000, inclusive of a contingency; and be it further

RESOLVED, that the President of BBP, or their designee(s), be, and each of them hereby is, authorized and
directed, in the name and on behalf of BBP, to execute and deliver any and all documents and take all
such actions as the President of BBP or their designee(s) may deem necessary or proper to effectuate the
foregoing and in connection with the implementation of the work pursuant to the agreement.

*   *   *

A-1
AUTHORIZATION TO ENTER INTO AN AGREEMENT RELATING TO WEBSITE DESIGN AND DEVELOPMENT SERVICES AND AUTHORIZATION TO TAKE RELATED ACTIONS

BE IT RESOLVED, that BBP is hereby authorized to enter into a contract with Bellweather, LLC for the design and development of a new website for Brooklyn Bridge Park for a not-to-exceed contract price of $160,000, subject to the requirement that prior to entering into the contract with Bellweather, LLC, BBP shall finalize a separate intellectual property agreement by and between BBP and the Brooklyn Bridge Park Conservancy in form and substance acceptable to the President, and be it further;

RESOLVED, that the President of BBP, or their designee(s), be, and each of them hereby is, authorized and directed, in the name and on behalf of BBP, to execute and deliver any and all documents and take all such actions as the President of BBP or their designee(s) may deem necessary or proper to effectuate the foregoing and in connection with the implementation of the work pursuant to the agreement.

*     *     *

A-1