Hudson River Park Trust

FISCAL YEAR 2018

SECOND QUARTER FINANCIALS

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation in the State of New York)
Statement of Net Position at September 30th, 2017
(Unaudited)

Net Financial Position	
Current Assets:	
Cash and equivalents	$169,403,131
Accounts receivable	$15,914,948
Total Current Assets	$185,318,079
Prepaid expenses	$71,833
Long Term Receivables (25% FEMA Receivable)	$1,844,520
Construction in progress	$125,261,507
Property and equipment, net	$424,694,221
Total Other Assets	$551,872,081
Total assets	**$737,190,160**
Current Liabilities:	
Accounts payable	$1,898,601
Accrued expenses (Includes net pension liability)	$9,604,510
Total current liabilities	**$11,503,111**
Other Postemployment Benefits Obligation	$9,281,048
Deferred inflows of resources - unearned revenue	$4,795,454
Net position:	
Net investment in capital assets	$549,955,728
Restricted for capital expenditures	$133,995,277
Unrestricted	$27,659,542
Total net position	**$737,190,160**

EXHIBIT 2

FUNCTION SUMMARY - 2018 APPROVED BUDGET VS. SECOND QUARTER ACTUALS (Unaudited)

HUDSON RIVER PARK		APPROVED	Q 2		Variance Explanations (if + 5% from 50% for 6 Mo)
FISCAL SUMMARY	Note	2018 FY Budget	Actuals	% Change	
OPERATING REVENUE	1	$27,485,902	$15,881,416	58%	See below
DIRECT PARK OPERATIONS					
EDUCATION AND PARK PROGRAMS		$2,046,882	$1,280,579	63%	Seasonal Variation
GROUNDS, FACILITIES & CAPITAL PLANT		$5,624,523	$2,002,736	36%	Delays in supplies due to rebranding;& plant materials expected Feb/March
SECURITY		$2,631,259	$1,250,822	48%	Accrual only
SANITATION		$1,320,000	$611,685	46%	Accrual only
UTILITIES		$1,425,000	$539,971	38%	Heating & Lighting expected to increase in winter
INSURANCE		$900,201	$431,413	48%	Within budget
TOTAL DIRECT PARK OPERATIONS		$13,947,865	$6,117,207	44%	
PARKING OPERATIONS		$1,430,907	$641,031	45%	Within budget
ADMIN, SUPPORT & OH		$5,955,358	$2,938,974	49%	Within budget
TOTAL OPERATING (OPEX)	2	$21,334,130	$9,697,212	45%	
OPERATING SURPLUS (DEFICIT)		$6,151,772	$6,184,204		
CAPx AND CAPm	3	$6,622,600	$1,497,051	23%	See below
TOTAL OPEX & CAPM		$27,956,730	$11,194,263	40%	
ANNUAL SURPLUS (DEFICIT)		**($470,828)**	**$4,687,154**		
NON OPERATING EXPENSE	4	$12,680,262	$6,340,131	50%	Accrual only
NOI (AFTER NON CASH TRANSACTIONS)(a)	5	**($6,528,491)**	**($155,927)**		

Notes

	2018 FY Budget	Q2 ACTUALS	% Change	
1 - Included in Operating Revenue				
Lease and Occupancy Permits	$17,064,602	$9,812,988	58%	Vacancies less than budgeted
Parking	$6,893,799	$3,992,941	58%	Parking spots vacancies less than budgeted
Fees	$1,675,000	$1,314,589	78%	Seasonal variation
Contributions	$1,000,000	$25,060	3%	Contribution from FOHRP not expected until after Gala
Other	$852,500	$735,838	86%	Interest Income increased due to change in rate & higher other income
2 - Included in OPEX				
Payroll	$6,352,569	$3,096,263	49%	Within budget ; one vacant position
Fringe Benefits	$2,608,635	$1,386,551	53%	Within budget (Pension contribution accrued)
Total Personnel	$8,961,204	$4,482,815	50%	
Full Time Permanent Employees	72	71		
3 - Included in CAPM (net of reimbursements)				
Equipment (Incl replacements)	$1,125,000	$206,628	18%	Vehicle purchase delayed to the QIII & QIV
Capital Maintenance	$5,497,600	$1,290,423	23%	CAPm projects being designed and bid; certain project may be delayed
4 - Non operating cost				
Other Post Employment Benefits	$1,287,721	$643,861	50%	Accrual only
Depreciation (CAPx and CAPm)	$11,392,541	$5,696,270	50%	Accrual only
Total non operating cost	$12,680,262	$6,340,131	50%	
5- Annual Surplus (Deficit)				
Operating Surplus (Deficit)	$6,151,772	$6,184,204		
Non operating cost	($12,680,262)	($6,340,131)		
	($6,528,491)	($155,927)		

Fiscal Year 2018
Hudson River Park Trust
Mid-Year Financial Statement
Narrative

The following is an overview of the financial activities of the Hudson River Park Trust for the six-month periods ended September 30, 2017.

The attached midyear financial statements are (1) Statement of net position with cash reserve and, (ii) Budget vs. actual operating. The statements of net position include all of the Trust's investments in resources (assets) and the payment obligations to vendors and contractors (liabilities). The cash reserve provides details on expected cash balance along with cash on hand divided in three categories (i) restricted cash, (ii) long term cash reserve, (iii) operating cash reserve. Revenue and expenses are accounted for in the budget vs actual statement. These statements measure results versus plan (budget) and also to determine the degree to which the Trust has recovered its costs through its operating revenue.

Statement of net position:

The Trust's total assets, net of depreciation, increased by $109mm in first six month of fiscal year 2018 compared to the previous fiscal year. This growth in total net assets was mainly attributable to the $100mm transferable air rights payments for pier 40.

The Trust's total liabilities at March 31, 2017 were $18.3mm, which in first six month of FY 2018 has been reduced to $11.5mm as the Trust paid down accrued liabilities.

Total deferred inflows of resources from prepaid rental income decreased in first six months to $4.7mm from $6mm compared to the previous fiscal year. The decrease is attributable primarily due to the recognition of earned income from a recorded two year prepayment of rent received under a lease for the Trust's Pier 57 property.

Statement of cash Reserve:

The Trust's capital funds can be segregated broadly into two categories –(i) Restricted Capital and, (ii) Unrestricted capital. As of September 30th 2017 the Trust holds $187mm in current assets which includes $169mm in cash and $18mm as accounts receivable. Current liabilities total $11.5mm while the restricted assets are $134mm. Net available for reserves at September 30th 2017 is $41.6mm.

As per the Trust FY 2018 budget, $6.6mm is reserved to be used for capital maintenance and equipment purchases. The Trust has also reserved $9.2 million towards the other post-employment benefits. Currently it is expected that cash flow reserve will be used to pay for costs that will be replenished as the funds are reimbursed to the Trust, including. (i) $800K towards Hurricane Sandy repairs (which will be reimbursed by FEMA) , (ii) $6.9mm towards new construction that will be reimbursed to the Trust by NYS & City, and (iii) $7mm will be used as working capital for current operating expenses that will be replenished from the operating revenue.

Budget vs. Actual:
The attached exhibit compares the FY 2018 budget with actual revenue and expenses for the first six months of FY 2018. Please note that the numbers are unaudited and the statements are prepared using the generally accepted accounting principles.

The six-month period ended September 30th, 2017 yielded total operating revenues of $15.8 million which is 8% or $2.1million greater than the budget. In general, actual operating results for FY 2018 are expected to be more favorable than budget due to: (i) a positive variance in lease revenue as vacancies are less than budgeted; (ii) parking spot vacancies are less than budget; (iii) interest rate has increased from 25 basis points to 55 basis points and with the new investment plan interest income will likely increase by more than double.

Within the functional programmatic budget categories, expenditures for education and park programs are 13 % higher than the budget due to seasonal variance. Ground, facilities & capital plant expense are 14% less than the budget due to delays in procurement of supplies and will increase in QIII & QIV. Security, Sanitation & Insurance cost are on track while utilities are 12% lower than the budget but will increase in QIII due to additional heating expense. Administration (Legal HR, IT and other) and parking cost are on budget. Equipment & vehicle purchase six month actual cost is 32% less than the budget but is expected to increase in QIII as the Trust works on the new bikeway plan and moves forward with the procurement of vehicles. Capital maintenance is under budget by 27% as few of the capital maintenance/construction projects are being designed and bid and certain projects will be delayed. In general, actual operating expenses for FY 2018 are expected be on track while delays in capital maintenance projects might result in overall underspend.

The status of new construction expenditures versus budget are presented on the table below. All projects are expected to be underway with significant expenditures before the end of the current fiscal year.

Hudson River Park
New Park Construction

Contract Balance as of 4/1/17	Location	Contract #	Contract Name	Contract with Contigency	Contract Amount	Allocated amount for multiyear projects	Description	Category	Division	Funding Source	TOTAL PUBLISHED BUDGET	Actual Spend	Budget Balance
PW signange installation													
New Contract	PW	C4733	MS Signs		$ 1,495,679	N/A	Parkwide Signage Installation	Upland	PMDC	NYS	**$ 1,495,679**	**$ 83,372**	**$ 1,412,307**
New Contract	PW	A4820	Gilbane	$ 906,338	$ 906,338	$ 57,577	Parkwide Signage Installation CM	Upland	PMDC	NYS	**$ 149,568**	**$ 7,053**	**$ 142,515**
											$ 1,645,247	**$ 90,425**	**$ 1,554,822**
Pier 26 New park constuction													
$ 1,625,350.06	P26	A4640	Olin	$ 2,236,165.00	$ 2,222,792.00	N/A	Citi Bank, City and LMDC	Upland	PMDC	Private	**$ 1,500,000**	**$ 466,372**	**$ 1,033,628**
											$ 1,500,000	**$ 466,372**	**$ 1,033,628**
Pier 54 CMAQ Esplanade upland													
New Contract	P55	C4204	DEBORAH BRADLEY	$6,468,506.00	$ 5,880,460.00	N/A	CMAQ Esplanade (New)	Upland	PMDC	CMAQ	**$ 6,468,460**	**$ 1,030,208**	**$ 5,438,252**
$273,075.73	P55	A4636	Skanska	$1,755,729.00	$1,649,981.34	N/A	CMAQ Esplanade (New)	Upland	PMDC	CMAQ	**$ 273,076**	**$ 201,963**	**$ 71,113**
											$ 6,741,536	$ 1,232,171	$ 5,509,365
Pier 98/99 Marine Platform													
N/A	P98	TBD	TBD	TBD	TBD	N/A	Riverside Connector Marine	Marine	PMDC	NYS	**$ 200,000**	**$ -**	**$ 200,000**
											$ 200,000	$ -	$ 200,000
Pier 55 Esplanade Utilities													
$ 204,419.49	P55	C4208	Deborah Bradley	$1,070,740.00	$ 973,400.00	N/A	Pier 55 Utilities at Esplanade (Construction)	Upland	PMDC	NYS	**$ 980,000**		**$ 980,000**
											$ 980,000	$ -	$ 980,000
LGBTQ memorial													
New Contract		G4769	Studio HIP	$75,000.00	$ 75,000.00	N/A	LGBTQ site	Upland	PMDC	NYS	**$ 75,000**		**$ 75,000**
New Contract		G4861	Work Shop Art Fabric	$400,000.00	$ 400,000.00		LGBTQ site	Upland	PMDC	NYS	**$ 925,000**		**$ 925,000**
											$ 1,000,000	$ -	$ 1,000,000
CMAQ (Construction)													
$ 341,110.56	P55	C4207	Trevcon	$ 7,150,000.00	$ 6,732,042.00	N/A	CMAQ Bikeway/Layby	Upland	PMDC	CMAQ	**$ 1,685,784**	**$ 341,111**	**$ 1,344,673**
											$ 1,685,784	$ 341,111	$ 1,344,673
Riverside Connector													
N/A	P98	TBD	TBD	TBD	TBD	N/A	Riverside Connector Upland	Upland	PMDC	NYS	**$ 375,000**	**$ -**	**$ 375,000**
New Contract	PW	A4533	MT Group	$995,000.00	$ 995,000.00		Parkwide Testing and inspection services (new co	Upland	PMDC	NYS	**$ 350,000**	**$ 73,381**	**$ 276,619**
											$ 4,096,568	$ 755,602	$ 3,340,966
											$ 17,849,135	$ 2,885,680	$ 14,963,455