HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)

Management's Discussion and Analysis,
Financial Statements and
Supplemental Information

March 31, 2022 and 2021

(With Independent Auditors' Report Thereon)

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Hudson River Park Trust:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Hudson River Park Trust (the Trust), a public benefit corporation of the State of New York, as of and for the years ended March 31, 2022 and 2021, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust, as of March 31, 2022 and 2021, and the changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Trust's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Schedules 1 through 4 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2022 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Trust's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 27, 2022

The following Management's Discussion and Analysis (MD&A) of the financial statements for Hudson River Park Trust (the Trust) provides an overview of activities and financial performance for the fiscal years ended March 31, 2022 (fiscal year 2022) and March 31, 2021 (fiscal year 2021). We encourage readers to consider the MD&A in conjunction with the basic financial statements, related notes, and supplementary information, each of which follow this section to fully understand the Trust's financial position and results of operations.

Organizational Overview and Primary Funding

The Trust is a New York State (the State) public benefit corporation created in 1998 under the Hudson River Park Act (the Act) and regulated as a State authority under the State's Public Authorities Law. The Trust is charged with the planning, construction, operation, and maintenance of Hudson River Park (the Park), a waterfront park and estuarine sanctuary running along the Hudson River from West 59th Street south to Battery Park City. The Trust's mission is to encourage, promote and expand public access to the Hudson River, promote water-based recreation, and enhance the natural, cultural, and historic aspects of the river in New York City for residents and visitors to the area. A 13-member board of directors governs the Trust with the Governor and Mayor each appointing 5 members and the Manhattan Borough President appointing 3 members. Additional information on the Trust's board of directors can be found on the Trust's website at https://hudsonriverpark.org/about-us/hudson-river-park-trust/hudson-river-park-trust-board-of-directors/.

As of March 31, 2022, approximately $859.7 million has been expended on new Park construction, capital maintenance, and the construction of facilities serving certain not-for-profit and public users, such as the Intrepid Museum at Pier 86 and the New York City Fire Department Marine Division at Pier 53. This number was $800.2 million as of March 31, 2021. Management estimates approximately 80% of new Park construction is now complete, with significant new construction underway at Gansevoort Peninsula and Pier 97. The status of Park build-out as of June 28, 2022, is detailed in the Trust's annual Financing Plan, which may be found at https://hudsonriverpark.org/app/uploads/2021/02/Financing-Plan-FY-2022-23.pdf.

Capital funds associated with new Park construction have been provided primarily by the State and the City of New York (the City), with supplemental monies received from the Federal government, private sources, and an allocation of air rights transaction proceeds. In addition, the Trust has received restricted funding as a beneficiary in connection with certain litigation and administrative settlement agreements earmarked for improvements within the Park at Pier 97, the Gansevoort Peninsula and the Pier 26 Estuarium.

The Act states that, to the extent practicable and consistent with the public interest and limitations placed on commercial activity, the costs of the operation and maintenance of the Park should be paid by revenues generated from within the Park. The primary sources of operating revenue in the fiscal year 2022 were lease rents (including payments in lieu of real estate taxes, or PILOT), occupancy permit and concession fees for park and commercial use facilities, parking revenue from the Pier 40 garage and certain user fees. This operating revenue was supplemented by certain non-operating revenue from outside the Park that was self-generated, or accomplished in conjunction with others, such as contributions from Hudson River Park Friends (HRPF), interest income, foundation support, private contributions and grants. From its founding to the present day, the Trust has not received funds to support direct operating or ordinary maintenance costs from either the City or the State. In addition to presenting an overview of activities and financial performance, this MD&A provides an analysis of how the costs of operation and maintenance of the Park, including capital maintenance not treated as an operating expense in the financials, are being supported by internal and self-generated revenue in furtherance of the legislative goal of financial self-sufficiency.

Overview of Financial Statements

The basic financial statements consist of three main parts and include information for fiscal years 2022 and 2021. The three sections are (1) statements of net position (like a balance sheet), (2) statements of revenue, expenses, and changes in net position (akin to an income statement), and (3) statements of cash flows.

The statements of net position include all the Trust's investments in resources (assets) and payment obligations to vendors and contractors (liabilities). It also provides the basis for evaluating the Trust's capital structure and for assessing its liquidity and financial flexibility. All the Trust's revenue and expenses are accounted for in the statements of revenue, expenses, and changes in net position. These statements measure the success of the Trust's operations over the past year and can be used to determine the degree to which the Trust has recovered its costs through its operating revenue and external revenue sources. The final section is the statements of cash flows, which provides information about the Trust's sources and uses of cash during the reporting period. The statements of cash flows report cash receipts, cash payments and net changes in cash resulting from operations, capital financing (primarily construction activity) and investing activities. They provide answers to such questions as where cash came from, what was cash used for, and the change in cash balance during the reporting periods.

Following the statements are the notes to financial statements, required supplementary information (RSI), schedule of changes in Trust's Total Other Postemployment Benefits (OPEB) liability and related ratios, schedule of a proportionate share of the net pension liability, and schedule of employer pension contributions. Following the RSI schedules is Supplementary Information consisting of four schedules that presents financial results for fiscal years 2022 and 2021 in the format of the Trust's approved annual budget. Further information concerning the Trust's current budget for fiscal year 2023 is available at: https://hudsonriverpark.org/app/uploads/2022/03/Approved_Budget_FY_2023.pdf .

The Trust adheres to the Governmental Accounting Standards Board (GASB) provisions consistent with regulations promulgated by the New York State Office of the Comptroller relating to accounting, reporting, and supervision requirements for public authorities. The Trust has previously adopted GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other

Than Pensions." GASB Statement No. 75 established standards of financial accounting and financial reporting for defined benefit OPEB. As detailed in the notes section, this is an unfunded future liability as the Trust contributes only enough money to satisfy current obligations on a pay-as-you go basis.

In addition, the Trust has implemented GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement No. 68." As further detailed in the notes section, the implementation of these two statements resulted in the reporting of deferred outflows of resources and an unfunded liability related to the Trust's participation in the New York State and Local Employees' Retirement System (ERS). The amount recorded relates to the Trust's proportionate share obligation of ERS and is based on the financial performance of ERS. Annual changes in this unfunded ERS liability are not within the control of the Trust.

Statements of Net Position

The following table summarizes the Trust's assets, liabilities, and net position as of March 31, 2022, 2021 and 2020 under the accrual basis of accounting.

	2022	2021	Change	2021	2020	Change
Total assets	$ 948,927,793	912,962,825	35,964,968	912,962,825	890,983,851	21,978,974
Total deferred outflows of resources	$ 5,391,648	4,112,433	1,279,215	4,112,433	1,377,699	2,734,734
Total liabilities	$ 55,300,558	52,181,627	3,118,931	52,181,627	40,655,720	11,525,907
Total deferred inflows of resources	$ 10,333,508	3,349,706	6,983,802	3,349,706	10,939,978	(7,590,272)
Total net position	$ 888,685,375	861,543,925	27,141,450	861,543,925	840,765,852	20,778,073

Fiscal Year Ended March 31, 2022

As summarized in the table above and detailed in the statements of net position, the Trust's total assets increased by 3.9% to $949.0 million in fiscal year 2022. The combined increase in construction in progress and capital assets (net of depreciation) of $44.3 million exceeded the cumulative decrease in cash and equivalents, accounts receivable, prepaid expenses and investments by $35.9 million.

Deferred outflows represent a use of net position that applies to future periods. A pension deferred outflow of $5 million at March 31, 2022, which is part of reporting under GASB Statement No. 68, increased by $1.3 million from $4.1 million in the prior fiscal year. As discussed above, this increase results primarily from the net difference between projected and actual financial performance of ERS and is not within the control of management.

The Trust's total liabilities on March 31, 2022 were $55.3 million, an increase of $3.1 million, or 6.0%, compared to the prior fiscal year. This was primarily attributable to a $6.2 million increase in accounts payable to $16.6 million on March 31, 2022 from $10.4 million in the previous year, primarily due to higher levels of ongoing construction. This increase was offset by a $1.1 million reduction in accrued expenses, to $6.3 million in fiscal year 2022 from $7.4 million in fiscal year 2021, and a $5.4 million reduction in net pension liability plus other postemployments benefits obligation, increasing to $32.4 million on March 31, 2022 from $28.9 million on March 31, 2021.

As explained in notes 5 and 9 to the financial statements, the OPEB and future pension liability calculation is sensitive to a number of assumptions, including the Trust' proportionate share of ERS's net pension liability, the discount rate used to determine the present value of future pension costs, and health care cost trends. A lower discount rate increases the present value of the obligation, as more funds are needed today to generate the targeted pension plan return and meet future retiree health costs for current and retired employees. In fiscal year 2022 the discount rate decreased, increasing the present value of the potential liability.

However, this increase was offset by a substantial increase in the ERS's funding ratio to 99.95%, significantly reducing the proportionate share of the net pension liability allocable to the Trust to $22 thousand in fiscal year 2022, from $5.5 million in fiscal year 2021. While the Trust is not required to establish a funded set-aside, the magnitude of this potential obligation informs management in determining the application of the Trust's available reserve position.

Deferred inflows represent increases in net position that apply to future periods. The Trust's primary deferred inflows in fiscal year 2022 were $6.6 million in relation to pension accounting, $1.9 million of prepaid lease revenue derived primarily from a 30-year lease for a natural gas pipeline at and along the Gansevoort Peninsula, and $1.9 million of advanced appropriation revenue received from the City for Gansevoort Peninsula construction not yet applied to construction payments, for total of $10.3 million. This represents an increase from $3.3 million in fiscal year 2021, primarily resulting from increased deferred pension inflows.

Overall, the Trust's net position represents assets less liabilities, adjusted for deferred inflows and outflows of resources. Compared to the prior fiscal year, the total net position increased by $27.1 million, or 3.2%, to $888.7 million in fiscal year 2022. The net position at the end of the fiscal year 2022 was distributed as net investment in completed capital assets and construction in progress of $723.7 million, restricted funds for capital expenditures of $103.4 million, and unrestricted funds of $61.6 million allocated for working capital, reserves and future unfunded liabilities.

As a waterfront park, the Trust's primary unfunded liability is the substantial cost of future capital maintenance for marine structures, such as piers and bulkheads. The Trust's principal funding source for this work in recent years has been from the proceeds of air rights sales. There are currently no such air rights sales pending and the ability of the Trust to participate in new transactions of this type is uncertain. For this reason, it is likely that the Trust will depend more heavily on its reserve position to fund capital maintenance work in the future.

Investment in capital assets net of depreciation increased by $44.4 million, reflecting increased new construction and capital maintenance activity during the fiscal year. By way of comparison, restricted funds for capital expenditures decreased by $28.9 million as restricted funds were expended on designated capital projects (and thereby recognized as capital assets). Unrestricted funds increased by $11.7 million, primarily due to increased operating revenues.

In fiscal year 2022, the Trust spent $26.6 million on new construction and $32.5 million on capital maintenance, for a total of $59.1 million. Cumulative investment in capital assets net of depreciation in fiscal year 2022 includes approximately $616.6 million of completed Park improvements, $3.0 million of equipment, and $104.1 million of construction in progress. Construction in progress at the end of the fiscal year, including associated design work, increased by $26.6 million in fiscal year 2022, with significant new construction on Gansevoort Peninsula, Pier 97 and Chelsea Waterside Park underway, along with continuing capital maintenance work at Pier 40 and Chelsea Waterside Park.

<u>Fiscal Year Ended March 31, 2021</u>

As summarized in the table above and detailed in the statements of net position, the Trust's total assets increased by 2% to $913.0 million in fiscal year 2021, compared to fiscal year 2020. The combined increase in construction in progress and capital assets (net of depreciation) of $48.6 million exceeded the cumulative decrease in cash and equivalents, accounts receivable, prepaid expenses and investments by $22.0 million.

The Trust's total liabilities on March 31, 2021 were $52.2 million, an increase of $11.5 million, or 28%, compared to the prior fiscal year. This was primarily attributable to a $6.9 million actuarial increase in OPEB and a $4.1 million increase in the Trust's proportionate share of the ERS's net pension liability. Combined, these two GASB accounting adjustments accounted for 66% of the Trust's total liabilities in fiscal year 2021.

In fiscal year 2021, the Trust spent $25.6 million on new construction and $35.7 million on capital maintenance, for a total of $61.3 million. Cumulative investment in capital assets net of depreciation in fiscal year 2021 includes approximately $599.0 million of completed Park improvements, $2.8 million of equipment and $77.5 million of construction in progress. Construction in progress, which includes associated design work, decreased by $50.5 million in fiscal year 2021 as the Pier 55 esplanade, the initial phase of the Chelsea Waterside Park reconstruction, Morton Street bulkhead repair, Pier 40 courtyard field replacement, Pier 26 new park construction and several phases of Pier 40 pile work were all completed. On-going construction in progress at the end of the fiscal year is comprised primarily of new park construction underway at the Gansevoort Peninsula, Pier 55, Pier 97, and continuing capital maintenance work at Pier 40.

Statements of Revenue, Expenses, and Changes in Net Position

The table below summarizes information detailed in the statements of revenue, expenses, and changes in net position for the fiscal years ended March 31, 2022, 2021 and 2020. Additional information on operating and non-operating revenues, operating expenses, and the capital maintenance portion of expenditures for construction is found in the Supplementary Information schedules. The Supplementary Information schedules correspond to the format of the Trust's approved budget.

	2022	2021	Dollar Change	2021	2020	Dollar Change
Operating revenue	$ 33,267,649	23,532,634	9,735,015	23,532,634	32,170,331	(8,637,697)
Operating expenses	29,268,196	31,874,271	(2,606,075)	31,874,271	29,580,616	2,293,655
Operating income (loss)	3,999,453	(8,341,637)	12,341,090	(8,341,637)	2,589,715	(10,931,352)
Non-operating revenue less sale of development rights	38,665,055	42,434,135	(3,769,080)	42,434,135	45,270,007	(2,835,872)
Sale of development rights	-	-	-	-	48,284,813	(48,284,813)
Non-operating expense	15,523,058	13,314,425	2,208,633	13,314,425	12,019,071	1,295,354
Non-operating income	23,141,997	29,119,710	(5,977,713)	29,119,710	81,535,749	(52,416,039)
Change in net position	$ 27,141,450	20,778,073	6,363,377	20,778,073	84,125,464	(63,347,391)

Fiscal Year Ended March 31, 2022

Operating revenue is generated within the Park from lease and other occupancy agreements, parking charges, user fees, and sponsorships. Total operating revenue in fiscal year 2022 from all sources was $33.3 million, compared to $23.5 million in fiscal year 2021, an increase of $9.7 million, or 41.4%. In fiscal year 2022 approximately 65.1% of operating revenue, or $21.6 million, was derived from leases and other occupancy agreements; 27.7%, or $9.2 million, came from Pier 40 parking charges (net of local and state taxes); and 7.2%, or $2.4 million, was generated from user fees and other sources including sponsorships. By way of comparison, the proportionate share derived from occupancy agreement, parking, and user fees were 66.4%, 30.1% and 3.5%, respectively, in fiscal year 2021.

The Covid reopening began in the second quarter of fiscal 2022 (summer 2021) and operating revenue rebounded from fiscal year 2021 to fiscal year 2022, lease and other occupancy income increased by $6 million, or 38.6%; parking revenue increased by $2.1 million, or 30.2%; and user fees and other revenue, which includes event and sponsorship fees, increased by $1.6 million, or 187.2%. Tenants and concessionaires in the food and recreational industries generated increased revenue throughout the fiscal year, while the hospitality and tourist industries were slower to recover. Revenues were also increased by the timely repayment of a limited amount of occupancy agreements that had been restructured in the previous fiscal year, fiscal year 2021, allowing for deferral of base fees and charges during the early period of the Covid pandemic. Parking revenues increased with the reopening and increased commercial activity, becoming an even more significant contributor to the Trust's revenue stream.

Operating expenses in fiscal year 2022 totaled $29.3 million, a decrease of $2.6 million or 8.2% from the prior fiscal year. Included within operating expenses is $10.6 million of employee compensation and benefits, a $556 thousand increase from fiscal year 2021. Non-cash OPEB and net pension liability decreased by $4.9 million or 61.7%, the major contributor to the decrease in operating expenses. General and administrative operating expenses increased by $1.5 million or 28.9% from fiscal year 2021, as outlays delayed during the onset of the pandemic were resumed, and park programs and maintenance increased $192 thousand, or 2.3%, as park activities began to resume.

Certain OTPS operating expenses were subject to cost reimbursement arrangements, primarily with the State and City, as detailed further in the Supplementary Information schedules. In fiscal year 2022, reimbursement from the City and State for liability insurance costs covered $6 million of the Trust's $6.7 million premium cost for all types of insurance. In fiscal year 2021, reimbursement from the City and State for liability insurance costs covered $4.5 million of the Trust's $4.9 million premium cost for all types of insurance. Liability insurance reimbursement consisted of both direct State payment and a recoverable credit for contracted public safety services by the City.

Reimbursement for contracted vendor costs associated with the maintenance of the Route 9(a) median by the State totaled $449 thousand in fiscal year 2022. Thus, total reimbursable and recoverable OTPS operating expenses in the fiscal year 2022 for both liability insurance and maintenance costs were $6.4 million, compared to $4.9 million for fiscal year 2021.

As shown on the Statements of Revenue, Expenses and Changes in Net Position, which includes non-cash OPEB and pension expenses (and only the credit portion of recoverable operating expenses), the Trust recorded an operating surplus of $3.6 million in fiscal year 2022, as compared to an $8.3 million loss in fiscal year 2021. Including all $38.7 million of non-operating revenue such as governmental appropriations, reimbursements, and realized and unrealized gains and losses from investments, and $15.5 million of non-operating depreciation expense, the Trust generated an increase in its net position of $27.1 million. The Trust's net positon, which was $861.5 million at the beginning of fiscal year 2021 increased to $888.7 million, primarily attributable to additional park construction.

<u>Fiscal Year Ended March 31, 2021</u>

Total operating revenue in fiscal year 2021 from all sources was $23.5 million, compared to $32.2 million in fiscal year 2020, a decrease of $8.6 million, or 27%. In fiscal year 2021 approximately 66% of operating revenue, or $15.6 million, was derived from leases and other occupancy agreements; 30%, or $7.1 million, came from Pier 40 parking charges (net of local and state taxes); and 4%, or $832 thousand, was generated from user fees and other sources including sponsorships. By way of comparison, the proportionate share derived from occupancy agreement, parking, and user fees were 70%, 24% and 6% respectively in fiscal year 2020.

In a year defined by the significant adverse impact of COVID-19, lease and other occupancy income declined by $6.8 million, or 30%; parking revenue decreased by $575 thousand, or 8%; and user fees and other revenue, which includes event and sponsorship fees, decreased by $1.3 million, or 61%. Tenants and concessionaires in the food, hospitality, tourist and recreation industries were especially hard hit, and the Trust was unable to realize operating revenue from participation, percentage rent and percentage concession fees dependent on sales volume. Several occupancy agreements were restructured to allow for deferral of base fees and charges, however no abatements were granted.

Operating expenses in fiscal year 2021 totaled $31.9 million, an increase of $2.3 million or 8% from the prior fiscal year, including an increase in non-cash OPEB and net pension liability. Excluding non-cash OPEB and pension expenses, employee compensation and benefits of approximately $10.1 million were essentially flat year-over-year.

The Trust recorded an operating loss of $8.3 million in fiscal year 2021 as compared to a $2.6 million gain in fiscal year 2020. Including all $42.4 million of non-operating revenue such as governmental appropriations, reimbursements, and realized and unrealized gains and losses from investments, and $13.3 million of non-operating depreciation expense, the Trust generated an increase in its net position of $20.8 million. The Trust's net position, which was $840.8 million at the beginning of fiscal year 2021 increased to $861.5 million at the end of fiscal year 2021.

Self-Generated Revenue, Park Operating Expenses and Capital Maintenance Costs

The table below summarizes the Trust's operating revenue and self-generated non-operating revenue (primarily interest and contribution revenue), direct Park operating expenses, other Park operating expenses (parking garage and general and administrative costs), reimbursable revenue that offsets certain OTPS operating expenses, capital maintenance (CAPm) and capital equipment (CAPx) outlays, reimbursements for CAPm from appropriations and restricted funds and the resulting pro-forma surplus/deficit for the fiscal years ended March 31, 2022, 2021 and 2020.

The table corresponds in summary form to the Trust's approved budget format presented in the Supplementary Information schedules. The Supplementary Information schedules show operating expenses which include both personnel and OTPS costs for each of the Trust's principal functional activities: education and Park programs; grounds, facilities, and capital plant; public safety and security; sanitation; utilities; insurance; parking; and administrative support and overhead. The pro-forma use of the terms "surplus" and "deficit" is associated with the Trust budget format presented in the Supplementary Information schedules and on the Trust's website. The surplus and deficit amounts are different from "operating income" and "change in net position" as used in the statements of revenue, expenses, and changes in net position, though they are reconciled to those figures in the notes to the Supplementary Information schedules.

The purpose of this portion of the MD&A is to assess financial results in the context of the legislative goal of self-sufficiency. While the legislation acknowledges that the primary source of funding for the construction of the new Park is to come from the State and City, revenue for the operation and maintenance of the Park is, to the extent practicable, to be self-generated.

	2022	2021	2020
Operating revenue	$ 33,267,649	23,532,634	32,170,331
Self-generated portion of non-operating revenue	3,825,110	5,878,892	5,437,379
Total revenue	37,092,759	29,411,526	37,607,710
Direct park operating expenses	21,893,554	18,817,705	18,828,005
Other park operating expenses	6,442,311	6,688,200	6,863,939
Reimbursable operating expenses	(6,444,515)	(4,864,371)	(3,747,013)
Net operating expenses	21,891,350	20,641,534	21,944,931
Surplus before capital maintenance and capital equipment	15,201,409	8,769,992	15,662,779
Equipment CAPx	828,994	959,528	1,278,783
Upland and park piers CAPm	6,263,483	1,848,248	4,033,106
Marine structures other than pier 40 CAPm	611,937	407,262	6,058,135
Pier 40 CAPm	25,584,114	32,514,791	14,747,870
Gross amount CAPx and CAPm	33,288,528	35,729,829	26,117,894
Reimbursable CAPx and CAPm from restricted funds (NON-GOV)	21,601,910	24,038,447	13,676,269
Reimbursable CAPx and CAPm from GOV appropriations	5,106,585	4,937,899	8,975,535
Reimbursable CAPx and CAPm	26,708,495	28,976,346	22,651,804
CAPx and CAPm net of reimbursable	6,580,033	6,753,483	3,466,090
Deficit after CAPx and CAPm without reimbursable	(18,087,119)	(26,959,837)	(10,455,115)
Surplus after CAPx and CAPm net of reimbursable	$ 8,621,376	2,016,509	12,196,689

As depicted in the table above and detailed in Supplementary Information Schedule 1, prior to consideration of capital maintenance, the Trust generated a $15.2 million surplus of self-generated revenue in excess of net operating costs. This surplus was $6.4 million or 73.3% more than the similarly calculated surplus for the prior year. As discussed further below, self-generated revenue increased by $7.7 million or 26.1%, to $37.1 million, while net operating expenses increased by $1.2 million or 6.1%, to $21.9 million.

Capital maintenance is a major repair or replacement of a deteriorated existing capital asset, such as a building roof, pier pile, bulkhead, floating dock, or recreational assets such as playgrounds, fields, or courts, which upon completion, has a useful life more than five years. Capital maintenance is recorded on the financial statements as either a "construction in progress" asset or an improvement (but not an operating expense). In this section of the MD&A, the Trust elects to use the annual outlay for capital maintenance and capital equipment rather than book depreciation when discussing the annual net deficit/surplus. Management believes this approach helps elucidate the extent to which the legislative goal of financial self-sufficiency is being achieved within the reporting fiscal year, as capital maintenance needs to be funded regardless of depreciation accruals. For the purpose of this discussion, capital equipment acquired to replace existing equipment that is in poor condition or obsolete is combined with capital maintenance.

As shown on Supplementary Information Schedule 2, gross capital maintenance and equipment costs were $33.3 million in fiscal year 2022, a decrease of $2.4 million, or 6.8 %, compared to the prior fiscal year. Gross capital maintenance and equipment costs were $35.7 million in fiscal year 2021, an increase of $9.6 million, or 37%, compared to the fiscal year 2020. Much of the fiscal year 2021 expenditure was attributable to a resumption and acceleration of Pier 40 pile and roof repair work, which continued throughout fiscal year 2022.

Appropriation revenue and restricted funds from the sale of air rights applied to offset capital maintenance, and equipment expenditures totaled $26.7 million in fiscal year 2022, a decrease of $2.3 million, or 7.8%. Accordingly, net capital maintenance and equipment cost consisting of a gross cost of $33.3 million less application of offsetting funds of $26.7 million, was $6.6 million in fiscal year 2022, slightly below $6.8 million in fiscal year 2021.

As described above, the Trust had a surplus of self-generated revenue in excess of net operating costs of $15.2 million in fiscal year 2022. As shown on Supplementary Information Schedule 2, this surplus becomes a deficit of $18.1 million when the $33.3 million in gross capital maintenance and equipment costs is deducted. This compares with a deficit after gross capital maintenance and equipment costs of $27.0 million in the fiscal year 2021. Thus, but for the availability of government funds and available air rights proceeds, the Trust would have experienced a significant deficit in fiscal years 2021 and 2022.

Taking into consideration the $26.7 million of appropriation revenue and air rights sale funds that offset capital maintenance costs, the Trust generated a surplus of $8.6 million in fiscal year 2022. This represents an increase of $6.6 million, or 328.0%, compared to the $2 million surplus in the prior fiscal year. With $29.0 million of appropriation revenue and air rights sale funds offsetting capital maintenance costs in fiscal year 2021, the Trust generated a surplus of $2.0 million. This represents a decrease of $10.2 million, or 83.5%, compared to the $12.2 million surplus in fiscal year 2020.

It should be noted that appropriation revenue is dependent on annual State and City budgets and is only available on a project-by-project basis. The availability of air rights sale funds is transaction-based and dependent on the number of eligible receiving sites, market conditions, and completion of the City's land use review procedure. Thus, surpluses such as those generated in fiscal years 2022, 2021 and 2020 cannot be assumed in future years. As is the Trust's practice, these annual surpluses, when generated, are reserved for future unfunded capital maintenance and other extraordinary and unexpected expenses.

While capital maintenance outlays are expected to moderate after completion of the Pier 40 pile restoration project (expected in fiscal year 2023), expenditures in future years are likely to again exceed annual surpluses because of other infrastructure repair needs. Thus, failure to realize new revenue sources may eventually necessitate deferring essential capital maintenance (degrading the quality of Park physical assets), or diverting operating income to urgent repairs (resulting in reductions to key services such as sanitation, security and Park programs). This challenge has been a topic of conversation among the Trust board and staff, City and State officials, community leaders and elected representatives.

Lastly, as shown on Supplementary Information Schedule 3, the Trust had a deficit in fiscal year 2022 of $3.4 million after the inclusion of non-operating OPEB and accrued pension liability costs, and expensing non-operating depreciation. In this schedule, depreciation is expensed, and capital maintenance is not deducted. This compares with an identically calculated deficit in fiscal year 2021 of $12.5 million. The reasons for this improvement are a $6.4 million increase in self-generated revenue in excess of net operating costs from $8.8 million to $15.2 million, a $4.9 million decrease in non-operating OPEB expense from $7.9 million to $3.0 million, and an increase in depreciation expense of $2.2 million in fiscal year 2022 from $13.3 million in fiscal year 2021. By way of comparison, gross capital maintenance costs were $17.8 million greater than book depreciation in fiscal year 2022 and $22.4 million more in fiscal year 2021.

Cash Flows, Reserve Balances

As shown on the statements of cash flows, the $32.8 million of cash provided by operating activities (leases, parking and fees) exceeded the $24.2 million cash used for operating expenses (personnel, fringe benefits, and vendors), producing positive net cash flows of $8.6 million in fiscal year 2022. This compares with negative net cash from operating activities of $2.0 million in fiscal year 2021.

Cash generated from non-operating capital financing activities in fiscal year 2022, consisting of appropriations, governmental and private reimbursements, settlements, grants, and contributions was $49.1 million. In fiscal year 2021, cash generated from non-operating capital financing activities totaled $47.3 million, including the foregiveness of the loan under the Paycheck Protection Program.

Cash used in capital financing activities (primarily construction) in the fiscal year 2022 was $61.4 million, as compared to $60.0 million in the fiscal year 2021. This use of cash for capital financing activities in the fiscal year 2022 was for new park and capital maintenance construction activity of $60.9 million and equipment additions of $453 thousand. In the fiscal year 2021, $59.2 million was used for new park and capital maintenance construction activity, and $879 thousand for equipment. Thus, net cash generated from non-operating capital financing activities was negative $12.3 million in fiscal year 2022 as compared to negative $12.7 million in fiscal year 2021.

In fiscal year 2022, $10 million of matured investments were transferred to the Trust's bank operating account to reduce cash management expenses in a low interest rate environment. With $9 million in positive operating cash, $12.6 million in negative cash generated from non-operating capital financing activities, and $25.0 million in positive net cash from investing activities, cash and equivalents increased by $21.4 million.

On March 31, 2022, the Trust held $55.9 million in its collateralized bank account and $161.7 million in its investment account. Of this combined $217.6 million, $103.4 million was restricted for designated capital construction projects. The balance of $114.2 million was allocated for $55.3 million of current payables, contract accruals, and future OPEB and pension liabilities, with the remaining $58.9 million designated for working capital and reserves for meeting operating expenses, unforeseen contingencies, and future unfunded capital maintenance.

Impact of Storm Recovery

Hurricane Sandy, which struck in late October 2012, has continually affected the Trust's statements of net position, but the Trust made significant progess in reimbursements in fiscal 2022. Total costs associated with recovery from Hurricane Sandy damages are approximately $34.7 million. While there have been some disallowances, the Trust expects to receive reimbursement for substantially all storm related costs from Federal [Federal Emergency Management Agency (FEMA)] and State sources. As of the end of fiscal year 2022, the Trust has received $33 million in reimbursement revenue for its outlays, or 96% of the total expended. Of the Trust's total accounts receivables recorded at March 31, 2022 of $2.8 million, the amount due from FEMA and the State for storm recovery is $1.2 million, or 43% of the total. Staff is working with FEMA and State representatives to resolve this receivable.

Subsequent Events: Chelsea Piers, Heliport and Litigation

On May 19, 2022, the Trust's Board approved a new lease for Chelsea Piers L.P. and North River Operating Company L.P. (together, "Chelsea Piers"). The Chelsea Piers facility is at Piers 59, 60, 61, with a connecting four-block long headhouse extending from Pier 59 to Pier 62. It also includes a multi-lane service driveway, various public access pathways, sidewalks, docks, and lands under water. The existing lease was originally executed in 1994, pre-dating the park, and would have expired in June 2043, absent the new lease.

The new lease extends the term to December 31, 2055, with one renewal option of 10 years. It is anticipated to commence on October 13, 2022 and is expected to generate increased revenues to the Trust, while adding provisions and protections typical of other Trust leases. It also requires Chelsea Piers to complete, at its sole cost, a series of baseline public improvements to pedestrian walkways. At the Trust's discretion, additional improvements may also be implemented and the Trust agrees to share in that cost through a rent abatement.

Details of the new Chelsea Piers lease and the significant action process (including a public comment period and hearing, along with a summary of public comments and Trust responses) are available on the Trust's website at: https://hudsonriverpark.org/locations/chelsea-piers-1-2/.

During the first week of June 2022, the New York State legislature passed legislation (S7493A and A8473A) that would amend the Hudson River Park Act to limit heliport operations to permitted transportation uses as defined in that legislation. The legislation also creates a right of action against non-essential flights causing an unreasonable level of sustained noise from a rotorcraft that is not for a permitted transportation use. The Trust is currently evaluating the potential impact of the legislation on operations at the heliport and it is not known whether the governor will approve or veto the legislation.

In early June 2022, a new complaint was filed in federal court that seeks to stop construction at the Gansevoort Peninsula and raises the same claims filed by the same party in the Albany County Supreme Court, a case that the Trust expects will be dismissed. At this time, the Trust has not been served these litigation papers.

Contacting the Trust's Financial Management

This MD&A is intended to provide a general overview of the Trust's finances. Questions concerning any of the information provided herein, or requests for additional information, should be addressed to the Chief Financial Officer, Hudson River Park Trust, Pier 40, 2nd Floor, 353 West Street, New York, New York 10014.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Statements of Net Position
March 31, 2022 and 2021

	2022	2021
Assets:		
Cash and equivalents	$ 55,935,533	34,545,785
Accounts receivable	2,784,482	10,520,307
Prepaid expenses	4,820,556	272,846
Investments	161,706,585	188,301,277
Construction in progress	104,109,183	77,469,791
Capital assets, net	619,571,454	601,852,819
Total assets	948,927,793	912,962,825
Deferred outflows of resources - pension - ERS	5,391,648	4,112,433
Liabilities:		
Accounts payable	16,622,348	10,423,673
Accrued expenses	6,305,827	7,402,363
Net pension liability - proportionate share - ERS	21,953	5,460,071
Other postemployment benefits obligation	32,350,430	28,895,520
Total liabilities	55,300,558	52,181,627
Deferred inflows of resources:		
Pension - ERS	6,587,134	294,078
Appropriations	1,888,001	562,375
Lease rents	1,858,373	2,493,253
Total deferred inflows of resources	10,333,508	3,349,706
Contingencies (note 10)		
Net position:		
Net investment in capital assets	723,680,637	679,322,610
Restricted for capital expenditures	103,425,001	132,333,146
Unrestricted	61,579,737	49,888,169
Total net position	$ 888,685,375	861,543,925

See accompanying notes to financial statements.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Statements of Revenue, Expenses and Changes in Net Position
Years ended March 31, 2022 and 2021

	2022	2021
Operating revenue:		
Lease revenue	$ 21,649,438	15,614,660
Parking revenue	9,228,267	7,085,826
Fees and other revenue	2,389,944	832,148
Total operating revenue	33,267,649	23,532,634
Operating expenses:		
Employee compensation and benefits	10,630,916	10,074,327
Other postemployment benefits and pensions	3,030,633	7,922,623
Park programs and maintenance	8,750,595	8,557,893
General and administrative	6,856,052	5,319,428
Total operating expenses	29,268,196	31,874,271
Operating income (loss)	3,999,453	(8,341,637)
Non-operating revenue:		
Appropriations revenue	37,016,365	21,590,361
Reimbursement	1,981,948	15,402,519
Settlements and grants	204,106	2,173,347
Contributions	1,020,000	1,074,770
Grant income - Paycheck Protection Program forgiveness	-	1,654,300
Realized gain on investments	2,601,005	3,149,822
Unrealized loss on investments	(4,158,369)	(2,610,984)
Total non-operating revenue	38,665,055	42,434,135
Non-operating expense - depreciation and amortization	15,523,058	13,314,425
Non-operating income	23,141,997	29,119,710
Change in net position	27,141,450	20,778,073
Net position at beginning of year	861,543,925	840,765,852
Net position at end of year	$ 888,685,375	861,543,925

See accompanying notes to financial statements.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Statements of Cash Flows
Years ended March 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash receipts from:		
Lease revenue	$ 21,584,522	15,661,246
Parking revenue	9,228,267	6,877,579
Fees and other revenue	1,970,735	838,865
Cash payments to:		
Personnel services	(10,625,669)	(10,120,870)
Vendors	(13,536,722)	(15,262,595)
Net cash provided by (used in) operating activities	8,621,133	(2,005,775)
Cash flows from capital financing activities:		
Appropriations revenue	42,537,428	18,323,538
Reimbursement	5,371,581	24,076,021
Settlements and grants	204,106	2,173,347
Proceeds from promissory note - Paycheck Protection Program	-	1,654,300
Contributions	1,020,000	1,074,770
Expenditures for construction in progress	(58,076,682)	(54,444,467)
Additions to property	(2,871,286)	(4,715,989)
Additions to equipment	(453,860)	(879,445)
Net cash used in capital financing activities	(12,268,713)	(12,737,925)
Cash flows from investing activities:		
Purchases of investments	(101,444,457)	(82,661,705)
Sale of investments	126,032,515	112,684,246
Earnings on investments	449,270	16,201
Net cash provided by investing activities	25,037,328	30,038,742
Net change in cash and equivalents	21,389,748	15,295,042
Cash and equivalents at beginning of year	34,545,785	19,250,743
Cash and equivalents at end of year	$ 55,935,533	34,545,785

(Continued)

See accompanying notes to financial statements.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Statements of Cash Flows, Continued

	2022	2021
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ 3,999,453	(8,341,637)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities - changes in:		
Accounts receivable	150,755	(566,948)
Prepaid expenses	(4,547,710)	(82,951)
Deferred outflows of resources - pensions	(1,279,215)	(2,734,734)
Accounts payable	6,198,675	(639,198)
Accrued expenses	424,207	(709,668)
Net pension liability - proportionate share - ERS	(5,438,118)	4,097,835
Other postemployment benefits obligation	3,454,910	6,924,002
Deferred inflows of resources - pension	(634,880)	(364,480)
Deferred inflows of resources - lease rents	6,293,056	412,004
Net cash provided by (used in) operating activities	$ 8,621,133	(2,005,775)

See accompanying notes to financial statements.

(1) Organization

Hudson River Park Trust (the Trust) is a public benefit corporation authorized under the Hudson River Park Act (the Act) approved by the Senate and the Assembly of the State of New York (the State). The Act also created the Hudson River Park (the Park). The Park is an area, generally, from the northern boundary of Battery Park City to the northern boundary of 59th Street in New York City (the City) between the United States pier-head line and West Street, Eleventh Avenue, or Twelfth Avenue, whichever is more westerly. As a public benefit corporation, the Trust is exempt from any and all Federal, State and City income and franchise taxes and sales taxes.

The Trust has authority over the planning, construction, operation, and maintenance of the Park. It replaces such authority formerly granted to the New York State Department of Transportation, the New York State Urban Development Corporation, and the Hudson River Park Conservancy. In doing so, the Trust succeeded its predecessors in all contracts, leases, licenses, and other obligations related to the Park, excluding debt and financial obligations to other public benefit corporations or governmental entities.

The Trust is a joint venture of the City and the State. Under the Act, the State and City, with respect to its real property in the Park, granted the Trust a possessory interest in such real property for a term not to exceed 99 years. Title to any real property within the Park currently held by the State or the City remains with those entities.

The Trust's Board is comprised of 13 members. The Governor and the Mayor each appoint five members and the Manhattan Borough President appoints three members. The Trust came into existence upon the appointment of eight of its 13 member board. The first eight appointments occurred on March 4, 1999. Accordingly, the by-laws of the Trust established the fiscal year as April 1st through March 31st.

To finance the construction of the Park, the State and the City have together pledged approximately $586 million to the Trust. Funding provided by the U.S. Department of Housing and Urban Development (HUD) has amounted to approximately $110.7 million, including $30.7 million for the replacement of Pier 86 leased to the Intrepid Museum and $80 million passed through the Lower Manhattan Development Corporation for capital construction in the 9/11 community development catchment area. As of March 31, 2022, the amount which has not been drawn down from the City and State combined is approximately $125.2 million. The Trust has received approximately $20.7 million between the New York City Council and the Manhattan Borough President. In addition, the Trust will receive revenues from leases and interest on short-term investments. Furthermore, the Trust has authority to accept contributions for its purpose and to accept appropriations and grants from Federal, State and local governments.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Trust have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applied to government units, as modified by the State and the City regarding the definition of capital expenditures. De minimis costs associated with salaries of employees of the Trust directly or indirectly involved with managing or accounting for construction activities are expensed as incurred. Such costs would be capitalizable, as construction in progress, under accounting principles generally accepted in the United States of America. The more significant accounting policies are described below.

(b) Net Position

The Trust's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets attributable to the acquisition, construction, or improvement of those assets.

Restricted for capital expenditures - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Trust or the passage of time.

Unrestricted - All other net position, including net position designated by actions, if any, of the Trust's Board of Directors.

(c) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash and Equivalents

For purposes of the statements of cash flows, cash and equivalents includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less, that are:

(i) Insured or collateralized with securities held by the entity or by its agent in the entity's name, or

(ii) Collateralized with securities held with by the pledging financial institution's trust department or agency in the entity's name, or

(iii) Uncollateralized.

(2) Summary of Significant Accounting Policies, Continued

(d) Cash and Equivalents, Continued

Deposits in bank accounts and investments in the Trust's name in financial institutions are covered by federal depository insurance and other collateral which has been assigned to funds over the FDIC coverage at March 31, 2022. Total financial institution (bank) balances at March 31, 2022 amounted to $55,935,533. Total deposits are categorized as follows:

(i)	(ii)	(iii)
$ 55,935,533	-	-

Cash and equivalents at March 31, 2022 and 2021 consists of interest bearing and non-interest bearing checking accounts.

(e) Investments

Investments are reported at fair value in the statements of net position, and investment income, including changes in fair value, are reported as revenue in the statements of revenue, expenses and changes in net position.

(f) Accounts Receivable

Accounts receivable are comprised of amounts due on leases and reimbursable construction costs from the Federal, State and City governments.

(g) Construction in Progress

Construction in progress includes all costs and expenditures incurred for suppliers and contractors associated with the planning, development, and construction of the Park as authorized by the Act. These expenditures include the costs of environmental studies necessary for obtaining permits, design and engineering costs, and legal costs related to the construction of the Park. These will become property and equipment and subject to depreciation expense upon completion.

(h) Capital Assets

Capital assets are recorded at cost or at fair market value in the case of donated equipment. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of revenue, expenses and changes in net position.

(2) Summary of Significant Accounting Policies, Continued

(i) Deferred Outflows of Resources - Pension

In the statements of net position, in addition to assets, the Trust will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Trust has two items that qualify for reporting in this category. The first item is related to pensions reported in the statements of net position. This represents the effect of the net change in the Trust's proportion of the collective net pension asset or liability and difference during the measurement period between the Trust's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Trust contributions to the pension system (ERS System) subsequent to the measurement date.

(j) Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Trust has three items that qualify for reporting in this category.

(i) Deferred Inflows of Resources - Pension

The first item is related to pensions and represents changes in the Trust's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Trust's contributions and its proportion share of total contributions to the pension system not included in pension expense.

(ii) Deferred Inflows of Resources - Appropriations

The second item in deferred inflows of resources is with regard to appropriations consisting of an agreement between the Trust and New York City Department of Parks and Recreation. The agreement is for the construction of various projects throughout the park. New York City Department of Parks and Recreation paid the Trust $1,888,001 and $562,375 in advance of the construction for projects it intends to support being started after March 31, 2022 and 2021, respectively.

(2) Summary of Significant Accounting Policies, Continued

(j) Deferred Inflows of Resources, Continued

(iii) Deferred Inflows of Resources - Lease Rents

The third item in deferred inflows of resources consists of a lease agreement with Texas Eastern Transmission L.P. (Texas Eastern) and other minor lease agreements. The lease agreement with Texas Eastern is for possessory interest in Trust property located along Route 9A in the Borough of Manhattan. The lease allows Texas Eastern to construct, operate, and maintain a natural gas pipeline within a right of way along the Gansevoort Peninsula and land located under water within the Hudson River, between the Southwest corner of the Peninsula to the U.S. Pierhead line as part of the New Jersey - New York expansion project. Texas Eastern has paid the Trust $2,775,000 for a period of 30 years. For each of the years ended March 31, 2022 and 2021, the Trust recognized revenue from the Texas Eastern lease of $92,500.

The future revenue recognition for lease rents and occupancy permit fees are as follows:

2023	$ 92,500
2024	92,500
2025	92,500
2026	92,500
2027	92,500
Thereafter	1,395,873
	$ 1,858,373

(k) Revenue Recognition

Appropriations revenues are recognized upon requisition by the Trust for identified capital commitments approved by the State and City. Such revenue is restricted to specific capital expenditures authorized by the Act. Lease revenues are recognized as rentals become due over the life of the lease. Rental payments received in advance are deferred until earned. Escalations based upon consumer price indices are recognized prospectively over the remainder of the lease. All leases between the Trust and the tenants of the property are operating leases. Lease revenues and other revenues may be used for Trust operations, as well as for capital expenditures. Reimbursement revenue consist of amounts received as the result of State and Federal awards. Contributions are amounts receivable for donor restricted purposes or unrestricted purposes.

(l) Subsequent Events

The Trust has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) Summary of Significant Accounting Policies, Continued

(m) Income Taxes

The Trust is a Public Benefit Corporation of the State of New York. As such income earned in the exercise of its essential governmental function is exempt from State and Federal income taxes.

(n) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Trust and its future results and financial position is not presently determinable.

(3) Fair Value of Investments

Authorization of investments in securities is governed by written internal guidelines, statutes and State guidelines.

The Trust recognizes 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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable in puts.

Investment securities at March 31, 2022 consist of the following:

	Maturity	Rate	Fair value	Fair value Hierarchy
U.S. Treasuries	Less than 6 months	1.625% to 2.125%	$ 29,179,022	Level 2
U.S. Treasuries	6 months to 1 year	1.500% to 2.625%	22,366,028	Level 2
U.S. Treasuries	1 to 5 years	0.250% to 2.750%	36,139,689	Level 2
New York State Bonds	1 to 5 years	0.530%	1,353,971	Level 2
New York State Urban Development Corporation Bonds	1 to 5 years	0.870% to 0.880%	1,357,301	Level 2

(3) Fair Value of Investments, Continued

	Maturity	Rate	Fair value	Fair value Hierarchy
City of New York Bonds	1 to 5 years	2.280%	1,474,080	Level 2
Money market funds with investments in U.S. Government debt			69,836,494	Level 2
			$ 161,706,585	

Investment securities at March 31, 2021 consist of the following:

	Maturity	Rate	Fair value	Fair value Hierarchy
U.S. Treasuries	Less than 6 months	1.125% to 2.250%	$ 30,578,852	Level 2
U.S. Treasuries	6 months to 1 year	1.250% to 2.500%	28,725,261	Level 2
U.S. Treasuries	1 to 5 years	0.250% to 2.750%	90,711,192	Level 2
New York State Bonds	1 to 5 years	0.530% to 1.500%	1,403,750	Level 2
New York State Urban Development Corporation Bonds	1 to 5 years	0.870% to 0.880%	1,419,264	Level 2
New York State Dormitory Authority Bonds	1 to 5 years	0.640% to 0.880%	2,806,704	Level 2
City of New York Bonds	1 to 5 years	0.250% to 2.280%	1,579,740	Level 2
Corporate Bonds	Less than 6 months	0.000%	1,999,999	Level 2
Money market funds with investments in U.S. Government debt			29,076,515	Level 2
			$ 188,301,277	

(4) Capital Assets

Capital assets at March 31, 2022 and 2021 consist of the following:

	Lives	2022	2021
Pier improvements	10-50 years	$ 755,105,642	722,692,943
Machinery and equipment	7 years	5,645,620	4,843,164
Computer equipment	5 years	1,449,067	1,434,791
Software	3 years	1,816,057	1,813,449
Automobiles	5 years	2,481,150	2,479,300
Furniture and fixtures	5 years	431,560	423,756
Office renovation	5 years	528,746	528,746
Total capital assets		767,457,842	734,216,149
Less accumulated depreciation and amortization		(147,886,388)	(132,363,330)
Capital assets, net		$ 619,571,454	601,852,819

(5) Other Postemployment Benefits Obligation

The Trust provides continuation of medical coverage to employees who have completed 10 years of service with New York State and three years of service with the Trust at employee rates throughout retirement.

The Trust, on an annual basis, accrues the cost which represents the present value of the postemployment benefits to be paid over the actuarily estimated lives of the employees.

Total expenditures charged to general and administrative expense for the years ended March 31, 2022 and 2021 amounted to $258,282 and $210,365, respectively. At March 31, 2022 and 2021, the liability for active and retired employees included in other postemployment benefit obligation amounted to $32,350,430 and $28,895,520, respectively. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

The number of participants as of March 31, 2022 was as follows:

Active employees	76
Retired employees	15
Spouses of employees	33
Total	124

(5) Other Postemployment Benefits Obligation, Continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the March 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%
Discount rate	1.84%
Healthcare cost trend rates	4.3% to 4.9%

Changes in the Total OPEB Liability

	2022	2021
Total OPEB liability at beginning of year	$ 28,895,520	21,971,518
Changes for the year:		
Service cost	1,894,857	1,164,880
Interest on total OPEB liability	735,888	852,190
Differences between actual and expected experience	(2,372,461)	(1,167,781)
Changes in assumptions	3,454,908	6,285,078
Benefit payments	(258,282)	(210,365)
Total changes	3,454,910	6,924,002
Total OPEB liability at end of year	$ 32,350,430	28,895,520

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Trust at March 31, 2022, as well as what the Trust's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current discount rate:

	1% Decrease (0.84%)	Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB liability	$ 40,050,420	32,350,430	(26,525,320)

(5) Other Postemployment Benefits Obligation, Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the total OPEB liability of the Trust at March 31, 2022, as well as what the Trust's total OPEB liability would be if it were calculated using a rate that is 1-percentage point lower (3.3% to 3.9%) or 1-percentage point higher (5.3% to 5.9%) than the current rate:

		1% Decrease (3.3% to 3.9%)	Current Trend Rate (4.3% to 4.9%)	1% Increase (5.3% to 5.9%)
Total OPEB liability	$	24,406,760	32,350,430	43,435,660

(6) Related Party Transactions

Related party transactions as of and for the years ended March 31, 2022 and 2021 consist of the following:

(a) Affiliates of New York State and the City of New York

At March 31, 2022 and 2021, the Trust had requested $37,016,365 and $21,590,361, respectively, of funds appropriated by the State and City in accordance with the Act for the value of construction contracts authorized to date.

The Trust succeeded the State of New York under an agreement which allows the Port Authority of New York and New Jersey to use certain properties for no monthly rental payments.

The Trust entered into a contract beginning April 1, 2000 with New York City Department of Parks and Recreation to provide security services in the park over a three year term in the amount of $9,488,356. Effective April 1, 2019, the Trust extended the contract for an additional one year term with the option to extend for two additional years. During the years ended March 31, 2022 and 2021, the Trust paid $3,119,176 and $3,068,995, respectively, for the services provided.

The Trust has an agreement for property maintenance services with the New York State Department of Transportation. At March 31, 2022 and 2021, the amounts included in accounts receivable amounted to $67,778 and $29,249, respectively.

New York State Division of Homeland Security and Emergency Services agreed to provide the Trust the local match requirement of the Disaster Grants - Public Assistance (Presidentially Declared Disasters) funds. At March 31, 2022 and 2021, the amounts included in accounts receivable amounted to $437,563 and $1,127,728, respectively.

(6) Related Party Transactions, Continued

(b) New York City Related Parties

As a result of the Act, the Trust receives funds from several leases held by New York City agencies. New York City Economic Development Corporation (NYCEDC) collects rents and remits a portion of the monies to the Trust semi-annually on behalf of New York City.

All lease and permit revenue is considered unrestricted.

(7) Rental Agreements

The Trust has executed several non-cancelable lease agreements with various parties. Estimated minimum rental payments to be received under the long-term lease agreements as of March 31, 2022, are as follows:

2023	$ 19,044,588
2024	18,562,767
2025	18,234,180
2026	18,342,008
2027	18,098,142
	$ 92,281,685

(8) Restricted for Capital Expenditures

Net position restricted for capital expenditures at March 31, 2022 and 2021 is summarized as follows:

Source	2022	2021
City of New York	$ 24,511,605	24,452,480
New York State Department of Environmental Conservation	4,176,193	4,206,479
Sale of development rights - Pier 40	27,060,207	52,166,799
Sale of development rights - Chelsea	42,810,243	46,605,341
Other	4,866,753	4,902,047
Total restricted for capital expenditures	$ 103,425,001	132,333,146

(9) Retirement Plan

(a) Plan Descriptions and Benefits Provided

The Trust participates in the New York State and Local Employees' Retirement System (ERS or the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Trust (the Trust), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Trust and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Trust also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/inex.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3.0 percent of their salary for their entire length of service. Those joining on or after April 1, 2012 are required to contribute between 3 and 6 percent, dependent on salary, throughout their working careers. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems fiscal year ending March 31.

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

	ERS
2022	$ 890,656
2021	781,031
2020	717,973

(9) Retirement Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At March 31, 2022 and 2021, the Trust reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Trust's proportionate share of the net pension liability was based on a projection of the Trust's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Trust.

Actuarial valuation date	4/1/2020	4/1/2019
Net pension liability	$ 21,953	5,460,071
Trust's proportion of the Plan's net pension liability	0.0220465%	0.0206192%
Change in proportion since prior measurement date	0.0014273%	0.0013930%

For the years ended March 31, 2022 and 2021, the Trust recognized pension expense of $466,372 and $1,779,652, respectively, for ERS. At March 31, 2022 and 2021, the Trust's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 268,100	-	321,347	-
Changes of assumptions	4,036,371	76,127	109,940	94,931
Net difference between projected and actual earnings on pension plan investments	-	6,306,073	2,799,098	-
Changes in proportion and differences between the Trust's contributions and proportionate share of contributions	196,521	204,934	101,017	199,147
Trust's contributions subsequent to the measurement date	890,656	-	781,031	-
Total	$ 5,391,648	6,587,134	4,112,433	294,078

(9) Retirement Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Trust contributions subsequent to the March 31, 2021 measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan year ended	
2022	$ (394,421)
2023	(145,836)
2024	(338,129)
2025	(1,207,756)
	$ (2,086,142)

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2021	March 31, 2020
Actuarial valuation date	April 1, 2020	April 1, 2019
Interest rate	5.9%	6.8%
Salary scale	4.4% Average	4.2% Average
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.7%	2.5%
Cost of living adjustments	1.4%	1.3%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. The previous actuarial valuations as of April 1, 2019 used April 1, 2010 - March 31, 2015 System's experience, mortality improvements based on the Society of Actuaries Scale MP-2018.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

(9) Retirement Plan, Continued

(c) Actuarial Assumptions, Continued

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

Measurement date	March 31, 2021	
	Target allocation	Long-term expected real rate of return
Asset type:		
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Opportunistic/ARS portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Fixed income	23.0%	0.00%
Cash	1.0%	0.50%
	100.0%	

The real rate of return is net of the long-term inflation assumption of 2.00%.

(d) Discount Rate

The actuarial discount rate used to calculate the total pension liability was 5.9% and 6.8% for March 31, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(9) Retirement Plan, Continued

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

The following presents the Trust's proportionate share of the net pension liability at March 31, 2022 calculated using the discount rate of 5.9%, as well as what the Trust's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension (asset) liability	$ 6,093,186	21,953	(5,577,146)

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)	
Valuation date	3/31/2021	3/31/2020
Employers' total pension liability	$(220,680)	(194,597)
Plan net position	220,580	168,116
Employers' net pension liability	$ (100)	(26,481)
Ratio of plan net position to the Employers' total pension liability	99.95%	86.39%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of March 31, 2022 and 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022 and April 1, 2020 through March 31, 2021, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(10) Contingencies

Contingencies at March 31, 2022 consist of the following:

(a) Litigation

The Trust is involved in various claims and lawsuits, both for and against the Trust, arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Trust's financial position.

(b) Other

The Trust generates lease and parking revenue from waterfront properties which are inherently dependent on high levels of capital maintenance. A failure by the Trust or its tenants to address such maintenance could have a material effect on the value of the Trust's assets and its operating revenue. However, it is difficult to estimate the effect, if any, to the Trust's assets or operating revenue.

(c) Terrorist Attack of October 31, 2017

On October 31, 2017 a terrorist attack occurred on the State owned bikeway adjacent to Hudson River Park. There were previously 18 lawsuits filed against the Trust along with other defendants, including the City of New York and Home Depot. The original 18 cases have been consolidated into one action for joint discovery and trial. As of the issuance date of these financial statements the consolidated matters as to either damages or liability has not commenced. The Trust carries liability insurance that covers a portion of the contingent liability.

(11) Contributions

Contributions received for the years ended March 31, 2022 and 2021 consist of the following:

	2022	2021
Friends of Hudson River Park Trust	$ 1,020,000	1,055,000
Other	-	19,770
	$ 1,020,000	1,074,770

(12) Payroll Protection Program

During the year ended March 31, 2021, the Trust received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in the amount of $1,654,300 with a 1% interest rate.

Pursuant to the terms of the CARES Act rules and regulations, the Trust applied for the loan to be forgiven by the SBA. The Trust was notified by the SBA on July 26, 2021 that the loan has been forgiven in its entirety and, accordingly, recorded loan forgiveness/income of $1,654,300 for the year ended March 31, 2021.

(13) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 -Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 30, 2023.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Required Supplementary Information
Schedule of Changes in Trust's
Total OPEB Liability and Related Ratios
Year ended March 31, 2022

Total OPEB liability:	2022	2021	2020
Service cost	$ 1,894,857	1,164,880	1,164,880
Interest on total OPEB liability	735,888	852,190	668,458
Differences between actual and expected experience	(2,372,461)	(1,167,781)	(502,740)
Changes in assumptions	3,454,908	6,285,078	3,841,970
Benefit payments	(258,282)	(210,365)	(203,374)
Net change in total OPEB liability	3,454,910	6,924,002	4,969,194
Total OPEB liability - beginning	28,895,520	21,971,518	17,002,324
Total OPEB liability - ending	$ 32,350,430	28,895,520	21,971,518
Covered payroll	$ 6,359,016	6,223,908	5,696,661
Total OPEB liability as a percentage of covered payroll	508.7%	464.3%	385.7%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	2021	2020
1.8%	2.4%	2.6%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Trust should present information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Year ended March 31, 2022

NYSERS Pension Plan

	2022	2021	2020	2019	2018	2017	2016
Trust's proportion of the net pension liability	0.0220465%	0.0206192%	0.0192262%	0.0192998%	0.0178503%	0.0188732%	0.0186450%
Trust's proportionate share of the net pension liability	$ 21,953	5,460,071	1,362,236	622,889	1,677,257	3,029,206	629,872
Trust's covered payroll	$ 6,359,016	6,223,908	5,696,661	5,152,017	4,727,541	4,423,662	4,391,701
Trust's proportionate share of the net pension liability as a percentage of its covered payroll	0.35%	87.73%	23.91%	12.09%	35.48%	68.48%	14.34%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.50%

Note to schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Trust should present information for those years for which information is available.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Required Supplementary Information
Schedule of Employer Pension Contributions
Year ended March 31, 2022

NYSERS Pension Plan										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 890,656	781,031	717,973	666,639	636,752	600,181	707,967	700,867	778,956	681,115
Contributions in relation to the contractually required contribution	890,656	781,031	717,973	666,639	636,752	600,181	707,967	700,867	778,956	681,115
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
Trust's covered employee payroll	$ 6,359,016	6,223,908	5,696,661	5,152,017	4,727,541	4,423,662	4,391,701	4,692,545	4,312,067	3,991,706
Contributions as a percentage of covered employee payroll	14.01%	12.55%	12.60%	12.94%	13.47%	13.57%	16.12%	14.94%	18.06%	17.06%

Schedule 1

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Supplementary Information
Trust Operating Activity by Budget Function
Years ended March 31, 2022 and 2021

	2022	2021
Revenue:		
Operating revenue (note 1)	$ 33,267,649	23,532,634
Self-generated portion of non-operating revenue (note 2)	3,825,110	5,878,892
Total revenue	37,092,759	29,411,526
Expenses:		
Direct park operating expenses:		
Education and park programs	2,015,479	1,715,356
Grounds, facilities and capital plant	6,874,385	6,154,947
Public safety and security	3,113,213	3,068,995
Sanitation	1,472,886	1,542,336
Utilities	1,749,236	1,484,128
Insurance	6,668,355	4,851,943
Total direct park operating expenses	21,893,554	18,817,705
Other park operating expenses:		
Parking expenses	1,478,801	1,322,296
Admin, support and overhead expenses	4,963,510	5,365,904
Total other park operating expenses	6,442,311	6,688,200
Total expenses	28,335,865	25,505,905
Reimbursable operating expenses (note 4)	(6,444,515)	(4,864,371)
Net operating expenses	21,891,350	20,641,534
Surplus	$ 15,201,409	8,769,992

Schedule 2

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Supplementary Information
Capital Maintenance and Capital Equipment
Years ended March 31, 2022 and 2021

	2022	2021
Surplus before capital maintenance and capital equipment	$ 15,201,409	8,769,992
Equipment capital maintenance	828,994	959,528
Upland and park piers capital maintenance	6,263,483	1,848,248
Marine structures other than Pier 40 capital maintenance	611,937	407,262
Pier 40 capital maintenance	25,584,114	32,514,791
Gross amount of capital maintenance and capital equipment without reimbursable	33,288,528	35,729,829
Deficit after capital maintenance and capital equipment reimbursable	(18,087,119)	(26,959,837)
Reimbursable capital maintenance and capital equipment from restricted funds (non-governmental)	21,601,910	24,038,447
Reimbursable capital maintenance and capital equipment from from appropriations (governmental)	. 5,106,585	4,937,899
Total reimbursable capital maintenance and capital equipment	26,708,495	28,976,346
Surplus after capital maintenance and capital equipment net of reimbursable	$ 8,621,376	2,016,509

Schedule 3

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Supplementary Information
Surplus (Deficit) After Non-operating Costs
Years ended March 31, 2022 and 2021

	2022	2021
Surplus before capital maintenance and capital equipment	$ 15,201,409	8,769,992
Non-operating expenses:		
OPEB and accrued pension liability	3,030,633	7,922,623
Depreciation and amortization	15,523,058	13,314,425
Total non-operating expenses	18,553,691	21,237,048
Surplus (deficit) after non-operating expenses	$ (3,352,282)	(12,467,056)

Schedule 4

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Supplementary Information
Notes to Supplementary Information
Years ended March 31, 2022 and 2021

	2022	2021
Note 1 - included in operating revenue:		
Lease and occupancy permits	$ 21,649,438	15,614,660
Parking	9,228,267	7,085,826
Fees	1,812,503	348,158
Sponsorship	168,894	133,031
Other income	408,467	350,959
Total operating revenue	$ 33,267,569	23,532,634
Note 2 - included in non-operating revenue		
Interest	2,601,005	3,149,822
Contributions and grants	1,224,106	4,902,417
Less contributions and grants restricted for capital expenditures	-	(2,173,347)
Total non-operating revenue	$ 3,825,111	5,878,892
Note 3 - included in three designated expense categories:		
Payroll	7,544,239	7,285,453
Fringe benefits	3,086,677	2,788,874
Total personnel	$ 10,630,916	10,074,327
Full time employees	77	80
Note 4 - reimbursable operating expenses		
Insurance	5,995,150	4,456,709
Ground, facilities and capital plant	449,365	407,662
Total reimbursable operating expenses	$ 6,444,515	4,864,371
Note 5 - reconciliation to operating income in statements of revenue, expenses, and changes in net position:		
Note 5a		
Surplus before capital maintenance and capital equipment	15,201,409	8,769,992
OPEB and accrued pension liability	(3,030,633)	(7,922,623)
Self generated portion of non-operating revenue	(3,825,110)	(5,878,892)
Reimbursable operating expenses (see note 4)	(6,444,515)	(4,864,371)
Insurance cost adjustment *	2,098,302	1,554,257
Operating income (loss)	$ 3,999,453	(8,341,637)
Note 5b		
Deficit after non-operating expenses	(3,352,282)	(12,467,056)
Depreciation and amortization	15,523,058	13,314,425
Self-generated portion of non-operating revenue (see note 2)	(3,825,110)	(5,878,892)
Reimbursable operating expenses (see note 4)	(6,444,515)	(4,864,371)
Insurance cost adjustment *	2,098,302	1,554,257
Operating income (loss)	$ 3,999,453	(8,341,637)

* Insurance cost subtracted from General and Administrative Operating Expense in the statements as a result of the credit provided by the City of New York for park security.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Hudson River Park Trust:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Hudson River Park Trust (the Trust) as of and for the year ended March 31, 2022, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated June 27, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Trust's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 27, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Hudson River Park Trust:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hudson River Park Trust's (the Trust), a public benefit corporation of the State of New York, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Trust's major federal program for the year ended March 31, 2022. The Trust's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Trust complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Trust's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of ·contracts or grant agreements applicable to the Trust's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Trust's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Trust's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Trust's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Trust's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3 OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK

The Board of Directors
Hudson River Park Trust:

We have examined the Hudson River Park Trust's (the Trust), a public benefit corporation of the State of New York State, compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended March 31, 2022. Management is responsible for the Trust's compliance with Section 201.3. Our responsibility is to express an opinion on the Trust's compliance with Section 201.3 based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about the Trust's compliance with Section 201.3. An examination involves performing procedures to obtain evidence about the Trust's compliance with Section 201.3. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Trust's compliance with Section 201.3, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Trust complied in all material respects with Section 201.3 during the year ended March 31, 2022.

In accordance with Government Auditing Standards, we are required to report significant deficiencies in internal control, violations of provisions of laws, regulations, contracts, or grant agreements, and abuse that are material to the Trust's compliance with Section 201.3 and any fraud or illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain views of management on those matters. We performed our examination to express an opinion on Trust's compliance with Section 201.3 and not for the purpose of expressing an opinion on internal control over compliance with Section 201.3 or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of Trust management, the Board of Directors, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 27, 2022

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)
Schedule of Expenditures of Federal Awards
Year ended March 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Expenditures	Expenditures to Recipients
U.S. Department of Transportation - passed through New York State Department of Transportation - Highway Planning and Construction	20.205	-	$ 492,429	-
U.S. Department of Homeland Security - passed through New York State Division of Homeland Security and Emergency Services - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4085	1,156,692	-
Total Expenditures of Federal Awards			$ 1,649,121	-

See accompanying notes to schedule of expenditures of federal awards.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)

Notes to Schedule of Expenditures of Federal Awards

March 31, 2022

(1) Reporting Entity

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the Hudson River Park Trust (the Trust), an entity as defined in the basic financial statements.

(2) Basis of Accounting

The Schedule is presented on the accrual basis of accounting and the amounts presented are derived from the Trust's general ledger. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the Schedule up to such amounts.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent such costs are included in the Federal financial reports used as the source for the data presented. The Trust does use the 10% de minimis rule.

(4) Matching Costs

Matching costs such as, the Trust's share of certain program costs, are not included in the Schedule.

(5) Subrecipients

The Trust did not provide any funding to subrecipients during the year ended March 31, 2022.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)

Schedule of Findings and Questioned Costs

Year ended March 31, 2022

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	____Yes __X__ No
2. Significant deficiency(ies) identified?	____Yes __X__ None reported
3. Noncompliance material to financial statements noted?	____Yes __X__ No

Federal Awards:

Internal control over major programs:	
4. Material weakness(es) identified?	____Yes __X__ No
5. Significant deficiency(ies) identified?	____Yes __X__ None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?	____Yes __X__ No
7. The Trust's major program audited was Disaster Grants - Public Assistance (Presidentially Declared Disasters) Assistance Listing Number 97.036.	
8. Dollar threshold used to distinguish between Type A and Type B programs.	$ 750,000
9. Auditee qualified as low-risk auditee?	__X__Yes _____ No

Part II - FINANCIAL STATEMENT FINDINGS

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No reportable findings or questioned costs.

HUDSON RIVER PARK TRUST
(A Public Benefit Corporation of the State of New York)

Status of Prior Year Audit Findings

Year ended March 31, 2022

There were no findings or questioned costs with regard to the prior year financial statements (March 31, 2021).