

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, 2025 and 2024  
(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 New York State public benefit corporation, as of and for the years ended March 31, 2025 and 2024, 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, 2025 and 2024, and the changes in financial position, and cash flows thereof 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 audits 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 additional information on pages 42 to 44 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 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 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 audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying Schedules 1 through 4 are 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 25, 2025 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 25, 2025

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Management’s Discussion and Analysis  
March 31, 2025 and 2024

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, 2025 (fiscal year 2025) and March 31, 2024 (fiscal year 2024). 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 59<sup>th</sup> 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, 2025, approximately \$982 million has been expended on new Park construction, capital maintenance, and the construction of facilities serving certain not-for-profit and public sector users, such as the Intrepid Museum at Pier 86 and the New York City Fire Department Marine Division at Pier 53. This number was \$966.5 million as of March 31, 2024.

As of March 31, 2025, almost all the areas of the public park envisioned by the Act are complete and serving the public. Two additional areas of the park are currently in design: the Estuarium, a long-planned river research and education center in Tribeca, and the park area from West 29<sup>th</sup> Street to West 44<sup>th</sup> Street. Fiscal year 2025 marked the first full fiscal year of operation for the new 5.5 acre Gansevoort Peninsula. Pier 97 also fully opened in fiscal year 2025, with completion of the adjacent park building scheduled for early fiscal year 2026.

The status of Park build-out as of June 2025 is detailed in the Trust’s annual Financing Plan, which may be found at <https://hudsonriverpark.org/about-us/public-information/financial-and-budget-information/>.

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Management's Discussion and Analysis, Continued

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 also received from the Federal government, private sources inclusive of philanthropic contributions, discretionary grant allocations from elected officials, allocation of development rights transaction proceeds for specific projects, and restricted settlement funds, including towards the future estuarium, which is currently in design.

The Act states that, to the extent practicable and consistent with 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. As in the past, the primary sources of operating revenue in fiscal year 2025 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 non-operating revenue that was self-generated, or generated in conjunction with others, such as contributions from Hudson River Park Friends (HRPF), interest income, foundation support, private contributions and grants. From inception in 1999 to present day, the Trust has not received funding for 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 self-generated revenue in furtherance of the legislative goal of financial self-sufficiency. Identifying recurring funding sources to support continuing capital maintenance of the Park's physical assets remains the Park's most significant long-term financial challenge.

### **Overview of Financial Statements**

The basic financial statements consist of three main parts and include information for fiscal years 2025 and 2024. The three sections are (1) statements of net position (akin to 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), and provide the basis for evaluating the Trust's capital structure and assessing its liquidity and financial flexibility. 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 the combination of operating revenue and external revenue sources. The final section is the statements of cash flows, which provide 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 cash was used for, and the change in cash balance during the reporting periods.

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Management’s Discussion and Analysis, Continued

Following the statements are the notes to financial statements (Notes), required supplementary information (RSI), schedule of changes in the Trust’s Total Other Postemployment Benefits (OPEB) liability and related ratios, schedule of a proportionate share of the net pension asset (liability), and schedule of employer pension contributions. Following the RSI schedules is Supplementary Information consisting of four schedules that present financial results for fiscal years 2025 and 2024 in the format of the Trust’s approved annual budget.

Further financial information for the Trust, including its budget for fiscal years 2025 and 2026, is available at: <https://hudsonriverpark.org/about-us/public-information/financial-and-budget-information/>.

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 Notes include brief descriptions that provide further context for the relevant GASB statements.

The Trust, by statute, is not permitted to issue bonds, contract to pay debt service, or otherwise borrow. Therefore, borrowing against receivables is not permitted. Annual Trust budgets must reflect actual projected lease income for each year, rather than the amounts recorded as receivables for accounting purposes, such as those assumed for the purposes of GASB Statement No. 87 - “Leases” (GASB 87) and GASB Statement No. 94 - “Public - Private and Public - Public Partnerships and Availability to Payment Arrangements” (GASB 94), which reflect the assumed income over the full term of qualifying leases. Thus, the GASB 87 and GASB 94 reporting requirements do not have any potential to tangibly affect Trust finances.

**Statements of Net Position**

The following table summarizes the Trust’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of March 31, 2025, 2024 and 2023, under the accrual basis of accounting. The results reflect the requirements of GASB 87 and GASB 94 with respect to reporting of assumed full-life value of leases and leases classified as public-private partnerships.

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets	\$ 1,035,986,029	1,028,137,757	7,848,272	1,028,137,757	992,199,655	35,938,102
Leases receivable - GASB 87 & 94	405,104,250	402,275,284	2,828,966	402,275,284	371,282,906	30,992,378
Interest receivable - GASB 94	<u>27,203,271</u>	<u>21,842,954</u>	<u>5,360,317</u>	<u>21,842,954</u>	<u>15,393,069</u>	<u>6,449,885</u>
Total assets	<u>1,468,293,550</u>	<u>1,452,255,995</u>	<u>16,037,555</u>	<u>1,452,255,995</u>	<u>1,378,875,630</u>	<u>73,380,365</u>
Deferred outflows of resources - pension - ERS	<u>3,175,909</u>	<u>3,656,922</u>	<u>(481,013)</u>	<u>3,656,922</u>	<u>3,875,073</u>	<u>(218,151)</u>
Total liabilities	<u>41,395,505</u>	<u>45,136,056</u>	<u>(3,740,551)</u>	<u>45,136,056</u>	<u>45,086,713</u>	<u>49,343</u>
Deferred inflows of resources:						
Pension - ERS	1,897,511	397,675	1,499,836	397,675	6,266,428	(5,868,753)
Unearned revenue	3,351,942	596,728	2,755,214	596,728	558,021	38,707
Lease rents - GASB 87 & 94	<u>366,869,158</u>	<u>370,159,684</u>	<u>(3,290,526)</u>	<u>370,159,684</u>	<u>345,501,123</u>	<u>24,658,561</u>
Total deferred inflows of resources	<u>372,118,611</u>	<u>371,154,087</u>	<u>964,524</u>	<u>371,154,087</u>	<u>352,325,572</u>	<u>18,828,515</u>
Total net position	<u>\$ 1,057,955,343</u>	<u>1,039,622,774</u>	<u>18,332,569</u>	<u>1,039,622,774</u>	<u>985,338,418</u>	<u>54,284,356</u>

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Management's Discussion and Analysis, Continued

Fiscal Year Ended March 31, 2025

The net effect of GASB 87 and GASB 94 reporting is to add a lease receivable equal to the present value of all known future payments for the life of the lease for qualifying agreements, as described in Note (7) Leases Receivable and Note (8) Public-Private Partnerships Receivable. An interest receivable is also added. Both are non-cash additions to assets representing future payments due to the Trust under the life of the leases. The adoption of GASB 94 in fiscal year 2024 reporting represented a reallocation of qualifying public-private partnership leases from the GASB 87 category to GASB 94 but does not result in a change in the financial results reported.

As summarized in the table above and detailed in the statements of net position, the Trust's total assets increased by 1.1% from fiscal year 2024 to 2025, with total assets of \$1.468 billion in fiscal year 2025, up from \$1.452 billion in fiscal year 2024. The Trust began the fiscal year with \$65.4 million of construction in progress and spent another \$15.5 million on capital construction in fiscal year 2025. By the end of fiscal year 2025, the Trust had substantially completed multiple major projects detailed in the following paragraph, leaving \$21.7 million of construction in progress. These completed projects increased depreciable capital assets; after factoring in depreciation, the Trust had capital assets of \$774.6 million as of March 31, 2025.

Most notably, the Trust fully opened Pier 97 in October 2024. This Pier is a substantial addition to the Clinton Cove area, the Park's northernmost segment. At Gansevoort Peninsula, the buildings, consisting of public restrooms, maintenance and concession spaces, were substantially completed in July 2024. At Pier 40, progress continued on the large fire sprinkler restoration project, and at Pier 45, the boardwalk decking was replaced. Several smaller projects were also undertaken, contributing to a \$40.4 million increase in depreciable capital assets in fiscal year 2025. Investments also increased by 14%, as non-recurring payments and additional surplus in fiscal year 2024 added to reserves. The remaining increase in total assets is primarily due to GASB 87 and 94 reporting requirements with respect to disclosure of non-cash increases in leases and interest receivables.

Construction in progress at the end of fiscal year 2025 consists primarily of the Pier 97 park building with maintenance, restroom and concession areas. The building is currently awaiting final inspections and is slated to open in the early summer of 2025. The ongoing design of certain remaining areas of the park, including the Estuarium and the upland area between W 29<sup>th</sup> and W 44<sup>th</sup> Streets, and the continuing capital maintenance program at Pier 40, round out the construction in progress at the end of fiscal year 2025.

Deferred outflows of resources represent a use of net position that applies to future periods. The pension deferred outflow of resources of \$3.2 million as of March 31, 2025, as reported under GASB Statement No. 68 - "Accounting and Reporting for Pensions" (GASB 68), is down 13% from the prior fiscal year. The Trust does not control this amount, as the Trust's proportionate share of post-employment benefit obligations is defined by the performance of the New York State and Local Employees' Retirement System.

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Management's Discussion and Analysis, Continued

The Trust's total liabilities on March 31, 2025, were \$41.4 million, a decrease of 8.3%. A decrease of \$7 million in accounts payable, accrued expenses and net pension liability - proportionate share - ERS, was offset by an increase of \$3.3 million in other postemployment benefits obligation.

Deferred inflows of resources represent increases in net position that apply to future periods. The Trust had \$372.1 million of deferred inflows of resources as of March 31, 2025, up marginally from \$371.2 million in the prior fiscal year. Pension - ERS, unearned revenue and lease rents as reported under GASB 87 deferred inflows increased, offset by an almost equal decrease in public-private partnerships deferred inflows reported under GASB 94.

As explained in Notes (5) and (10) to the financial statements, the OPEB and future pension liability calculations are sensitive to a number of assumptions, including the Trust's proportionate share of the ERS net pension asset (liability), the discount rate used to determine the present value of future pension costs, and health care cost trends. A higher discount rate decreases the present value of the obligation, as less funds are needed today to generate the targeted pension plan return and meet future retiree health costs for current and retired employees. While the Trust is not required to establish a funded set-aside, the magnitude and high variability of this potential obligation informs management in determining the application of the Trust's available reserve position.

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 \$18.3 million, or 1.8%, to \$1.06 billion in fiscal year 2025. The net position is divided into three categories: completed construction and construction in progress, restricted assets, and unrestricted assets inclusive of the Trust's reserves.

As a park located in and adjacent to water, the Trust's primary unfunded liability is the substantial cost of future capital maintenance required to keep marine structures, such as piers and bulkheads, in a state of good repair. The Trust's principal funding source for this work in recent years has been from the proceeds of \$100 million in development rights sales from Pier 40, though the Trust has also invested its reserves for marine repairs at locations other than Pier 40 over the years. Portions of the built park are now over 25 years of service and, as structures continue to age, it is likely that the Trust will need to depend more heavily on reserves to fund future capital maintenance work. Continuing capital maintenance addressing a wide variety of structural issues at Pier 40, including the roof, loading dock, façade, fire safety infrastructure and parking garage, will also require use of the Trust's reserves, now that the dedicated air rights funds from a previous transaction are expected to be depleted in fiscal year 2026. No further development rights sales may occur at Pier 40 pursuant to agreements reached as part of the previous transaction.

Furthermore, the Trust must finance construction from reserves on hand, rather than borrowing for construction financing, even when the costs of construction are reimbursed from outside resources such as State and City capital funding, due to the statutory prohibition on the issuance of Trust debt. The Trust must maintain high levels of reserves to accommodate funding of the capital program, working capital, emergency reserves, reserves for economic uncertainties such as the recent pandemic, capital maintenance reserves and reserves for future unfunded liabilities.

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Management's Discussion and Analysis, Continued

Fiscal Year Ended March 31, 2024

As summarized in the table above and detailed in the statements of net position, the Trust's total assets increased by 5.3% from fiscal year 2023 to 2024, with total assets of \$1.45 billion in fiscal year 2024, up from \$1.38 billion in fiscal year 2023. The Trust began the fiscal year with \$121.2 million of construction in progress and spent \$51.9 million on capital construction in fiscal year 2024. By the end of fiscal year 2024, the Trust had substantially completed multiple major projects detailed in the following paragraph, leaving \$65.4 million of construction in progress. These completed projects increased depreciable capital assets; after factoring in depreciation, the Trust had capital assets of \$734.2 million as of March 31, 2024.

The new 5.5-acre Gansevoort Peninsula park area was substantially completed in September 2023; the Pier 26 Science Playground opened in January 2024; and the refurbished Chelsea Waterside Park, inclusive of a new public restroom building and upgraded picnic and field areas, fully reopened in June 2023, all adding to completed Park assets in fiscal year 2024. At Pier 40, various safety improvements in the parking garage, including inspections and repairs required for codes, were also implemented. A number of smaller projects also contributed to this \$91.5 million increase in capital assets.

The remaining increase in total assets is primarily due to GASB 87 and 94 reporting requirements with respect to disclosure of non-cash increases in leases and interest receivables in addition to new leases. As previously stated, fiscal year 2024 was the first year of adoption of GASB 94, resulting in new reporting for lease revenue and interest under GASB 94 for some leases originally included in GASB 87, but causing no cumulative change in reported results. Again, because the Trust is prohibited from bonding against future revenues, reported amounts do not have tangible benefit or effect on the Trust's finances.

Deferred outflows of resources represent a use of net position that applies to future periods. The pension deferred outflow of resources of \$3.7 million as of March 31, 2024, as reported under GASB 68, was nearly unchanged from the prior fiscal year.

The Trust's total liabilities on March 31, 2024 were \$45.1 million, nearly unchanged compared to the prior fiscal year, as a \$6.5 million increase in the Trust's proportionate share of the net pension asset (liability), a minor increase in other post-employment benefits obligation, and a \$1 million increase in accrued expenses was offset by a \$6.3 million decrease in accounts payable.

As explained in Notes (5) and (10) to the financial statements, the OPEB and future pension liability calculation is sensitive to a number of assumptions, including the Trust's proportionate share of the ERS net pension asset (liability), the discount rate used to determine the present value of future pension costs, and health care cost trends. A higher discount rate decreases the present value of the obligation, as less funds are needed today to generate the targeted pension plan return and meet future retiree health costs for current and retired employees. While the Trust is not required to establish a

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Management's Discussion and Analysis, Continued

funded set-aside, the magnitude and high variability of this potential obligation informs management in determining the application of the Trust's available reserve position.

Deferred inflows of resources represent increases in net position that apply to future periods. The Trust had \$371.2 million of deferred inflows of resources as of March 31, 2024, primarily due to \$370.2 million in lease payments reportable as deferred inflows of resources under GASB 87 and GASB 94. This increased from \$345.5 million the prior year, due to the addition of several leases under GASB 87.

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 \$54.3 million, or 5.5%, to \$1.04 billion in fiscal year 2024. The net position is divided into three categories: completed construction and construction in progress, restricted assets, and unrestricted assets inclusive of the Trust's reserves.

**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, 2025, 2024 and 2023. Additional information on operating and non-operating revenues, operating expenses, and the capital maintenance portion of construction expenditures, is found in the Supplementary Information schedules. The Supplementary Information schedules correspond to the format of the Trust's approved budget.

The results for fiscal year 2024 have been restated to consolidate all GASB 87 and 94 lease revenues into one line, which requires reducing the amount of parking revenues originally presented in the fiscal year audited financials and moving the corresponding dollar amount into this new consolidated line. There is no change to the total operating revenue, total operating expense, operating income or change in net position as a result of this restatement.

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
General operating revenue	\$ 42,107,613	55,768,202	(13,660,589)	55,768,202	35,364,094	20,404,108
Lease revenue - GASB 87 & 94	11,243,409	12,228,503	(985,094)	12,228,503	10,631,234	1,597,269
Total operating revenue	<u>53,351,022</u>	<u>67,996,705</u>	<u>(14,645,683)</u>	<u>67,996,705</u>	<u>45,995,328</u>	<u>22,001,377</u>
Operating expenses	32,710,617	32,405,612	305,005	32,405,612	28,295,466	4,110,146
Other postemployment benefits and pension - GASB 68 & 75	3,678,585	1,402,969	2,275,616	1,402,969	(9,863,884)	11,266,853
Total operating expenses	<u>36,389,202</u>	<u>33,808,581</u>	<u>2,580,621</u>	<u>33,808,581</u>	<u>18,431,582</u>	<u>15,376,999</u>
Operating income	<u>16,961,820</u>	<u>34,188,124</u>	<u>(17,226,304)</u>	<u>34,188,124</u>	<u>27,563,746</u>	<u>6,624,378</u>
Non-operating revenue	21,447,868	37,203,019	(15,755,151)	37,203,019	51,647,058	(14,444,039)
Non-operating expense - depreciation and amortization	20,077,119	17,106,787	2,970,332	17,106,787	16,156,813	949,974
Total non-operating income	<u>1,370,749</u>	<u>20,096,232</u>	<u>(18,725,483)</u>	<u>20,096,232</u>	<u>35,490,245</u>	<u>(15,394,013)</u>
Change in net position	<u>\$ 18,332,569</u>	<u>54,284,356</u>	<u>(35,951,787)</u>	<u>54,284,356</u>	<u>63,053,991</u>	<u>(8,769,635)</u>

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Management's Discussion and Analysis, Continued

Fiscal Year Ended March 31, 2025

In fiscal year 2025, general operating revenue was \$42.1 million, 25% less than in the prior fiscal year. However, \$17.2 million of fiscal year 2024 operating revenue resulted from two (2) one-time, non-recurring payments to the Trust (see the description of Fiscal Year Ended March 31, 2024 below for additional details on these payments). Without the non-recurring revenue realized in fiscal year 2024, general operating revenue grew by 10% year-over-year in fiscal year 2025. The year-over-year comparisons in this section exclude the \$17.2 million in one-time, non-recurring revenue from the fiscal year 2024 figures, providing a more direct basis for annual comparison.

Revenues from tenant leases, permits and concessions grew modestly, up 1.8% to \$25.4 million in fiscal year 2025. Revenues from parking operations grew significantly to \$14.6 million, a 27% year-over-year increase in fiscal 2025. This increase is the result of a parking rate increase effective January 1, 2024, and also reflects continued active parking facility management with continued high levels of occupancy at the Pier 40 Parking Garage. The final category of operating revenues is fees and other revenues, which decreased 1.9% to \$2.2 million. This includes event fees, sponsorships and field permit fees.

Reportable GASB 87 and GASB 94 lease revenue, which is non-cash lease revenue attributable to qualifying lease arrangements, decreased 8.1%, to \$11.2 million in fiscal year 2025. This resulted in an increase of 5.6% in total operating revenue to \$53.7 million, though as previously noted, the revenues are not currently available to the Trust and the Trust cannot borrow against these revenues.

Operating expenses increased by less than 1%, to \$32.7 million. Two categories, employee compensation and benefits, and park programs and maintenance together account for 76% of operating expenses. Park maintenance covers outside contract costs for sanitation, security, and maintenance of grounds, equipment and facilities. The high level of cleanliness, safety and programming at the Park was maintained in fiscal year 2025, even with continuing price increases and little change in overall expense. Furthermore, the Trust conducted over 400 public programs and events in fiscal year 2025, a level comparable to that in fiscal year 2024. The final component of operating expenses, general and administrative expenses, was virtually flat year-over-year.

Other postemployment benefits and pensions as reported under GASB 68 and GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75) increased to a non-cash expense level of \$3.7 million, accounting for 88% of the increase in total operating expenses in fiscal year 2025 over the prior fiscal year. Even with this increased non-cash expense, operating income rose by 1.7% to \$17.3 million in fiscal year 2025.

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Non-operating revenue decreased 42% to \$21.4 million in fiscal year 2025. As various park areas were completed between fiscal years 2024 and 2025, appropriations from the State and City for new construction decreased to \$7.6 million in fiscal year 2025 from \$24.1 million in fiscal year 2024, reflecting changes in construction status rather than reductions in State and City funding. The next largest component of non-operating revenue, realized gain on investments, is \$9.2 million, up 23% from the prior fiscal year. The non-operating expense of depreciation and amortization increased 17.4% to \$21.1 million in fiscal year 2025, as construction was completed and the Trust added additional assets.

The change in net position at the end of fiscal year 2025 is an increase of \$18.3 million. This is smaller than the \$54.3 million change in net position realized at the end of fiscal year 2024, which contained two nonrecurring payments and higher balances of State and City appropriations revenue for then active capital project contributions in that fiscal year.

Fiscal Year Ended March 31, 2024

General operating revenue increased by 57.7% to \$55.8 million in fiscal year 2024, with \$17.2 million of this increase, or 84%, due to two (2) one-time, unanticipated revenue payments received in fiscal year 2024. The first was a payment of \$8.5 million received from Chelsea Piers in December 2023, pursuant to a qualifying transaction fee under an added provision of the new Chelsea Piers lease executed in fiscal year 2023. The second one-time payment of \$8.7 million was received from Amtrak in March 2024 as consideration for the granting of a permanent easement under the Park for the new Hudson Tunnel.

The balance of the increase in general operating revenue is a \$2.1 million increase in revenues, to \$24.9 million, from tenant leases, permits and concessions due to percentage rent payments, a return to full payments under an existing lease, and annual rent increases. Parking operations also significantly contributed to the increase in general operating revenue with a 10.2% increase to \$11.5 million in parking revenues; the Trust actively managed the Pier 40 garage operations, achieving occupancy rates consistently in excess of 95% during the 2024 fiscal year. In addition, the Trust increased monthly parking fees as a market adjustment effective January 2024.

GASB 87 and GASB 94 lease revenue, non-cash lease revenue attributable to qualifying lease arrangements, increased \$1.4 million, or 15%, to \$12.2 million due primarily to the addition of several qualifying tenant leases. This results in an increase of 48% in total operating revenue of \$22 million to \$68 million, a number which includes \$17.2 million of non-recurring cash payments and \$12.1 million of non-cash lease revenues reported under GASB 87 and GASB 94.

Operating expenses increased by \$4.1 million, or 14%, to \$32.4 million. The Trust had an 11% increase in total employee compensation and benefits, a result of increased staffing numbers supporting increased Park spaces, higher salaries in a tighter labor environment, and health and pension benefits cost increases of 15%.

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The costs of park maintenance and programs, inclusive of those for outside services including sanitation, security, and maintenance of grounds, equipment and facilities, is the other major component of operating expenses. These rose by 21% to \$12.5 million in fiscal year 2024, as the newly opened Gansevoort Peninsula and the reopened Chelsea Waterside Park include amenities like dog runs, restrooms and large playing fields requiring expanded sanitation, horticulture, maintenance and security services. This category also includes the cost of programming in the park, such as the robust series of outdoor and indoor park events, as well as programming and operating mission-focused spaces like the River Project's Wet Lab and Pier 57 Discovery Tank. The Trust conducted over 400 public programs and events in fiscal year 2024.

Other postemployment benefits and pensions as reported under GASB 68 and 75 returned to a non-cash expense level of \$1.4 million after being a negative expense, or a net addition to income, of \$9.9 million in the previous fiscal year. This is 73% of the 83% increase in total operating expenses to \$33.8 million in fiscal year 2024. Considering these expenses, operating income rose by 24% to \$34.2 million in fiscal year 2024.

Non-operating revenue decreased 28% to \$37.2 million in fiscal year 2024. The largest component, appropriations revenue, decreased \$18.3 million in fiscal year 2024 to \$24.1 million, reflecting lower State and City expenditures on new park construction in fiscal year 2024, while the overall State and City contributions to the total cost of each major capital project remained unchanged. The Gansevoort Peninsula project and a portion of the Pier 97 project were completed in fiscal year 2024 and approximately 25% of the spending on the Pier 97 project and a few smaller projects remained under construction at the end of fiscal year 2024. This reduction was offset by a 20% increase in outside contributions, including a \$1.9 million cash contribution from Hudson River Park Friends.

Non-operating expense - depreciation and amortization, increased as construction was completed and the Trust added additional assets. Total non-operating income primarily reflects the reduction in non-operating revenue described in the previous paragraph, for an increase in net position at the end of the fiscal year of \$54.3 million. This is smaller than the \$63 million increase realized at the end of fiscal year 2023, primarily reflecting the change in GASB pension calculations, a factor not under the control of the Trust.

**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, contributions and grants 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, 2025, 2024 and 2023.

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Management’s Discussion and Analysis, Continued

The table below corresponds to the Trust’s approved budget format presented in the Supplementary Information schedules. Adjustments due to GASB pension, other postemployment benefits and lease accounting rules are not included in these schedules. It should be noted that, following Trust policy, the full actuarially required pension contribution and the Trust portion of annual retiree health benefits are included in direct park operating expenses.

The Supplementary Information schedules show operating expenses including both personnel and other than personal services (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 enabling legislation of the Trust 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.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenue	\$ 42,107,613	55,768,202	35,364,094
Self-generated portion of non-operating revenue	<u>7,336,203</u>	<u>5,085,054</u>	<u>4,715,480</u>
Total revenue	<u>49,443,816</u>	<u>60,853,256</u>	<u>40,079,574</u>
Direct park operating expenses	26,821,211	26,697,567	23,950,810
Other park operating expenses	7,679,195	7,553,148	6,516,656
Reimbursable operating expenses	<u>(6,014,559)</u>	<u>(5,920,258)</u>	<u>(6,789,792)</u>
Net operating expenses	<u>28,485,847</u>	<u>28,330,457</u>	<u>23,677,674</u>
Surplus before capital maintenance and capital equipment	<u>20,957,969</u>	<u>32,522,799</u>	<u>16,401,900</u>

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	<u>2025</u>	<u>2024</u>	<u>2023</u>
Equipment CAPx	\$ 1,263,853	954,619	950,648
Upland and park piers CAPm	1,382,661	3,387,252	13,668,730
Marine structures other than pier 40 CAPm	726,721	440,928	2,797,432
Pier 40 CAPm	<u>1,787,064</u>	<u>5,513,998</u>	<u>4,737,982</u>
Gross amount CAPx and CAPm	<u>5,160,299</u>	<u>10,296,797</u>	<u>22,154,792</u>
Reimbursable CAPx and CAPm from restricted funds (NON-GOV)	1,909,882	6,596,611	13,317,844
Reimbursable CAPx and CAPm from GOV appropriations	<u>374,473</u>	<u>1,077,350</u>	<u>3,052,951</u>
Reimbursable CAPx and CAPm	<u>2,284,355</u>	<u>7,673,961</u>	<u>16,370,795</u>
CAPx and CAPm net of reimbursement	<u>2,875,944</u>	<u>2,622,836</u>	<u>5,783,997</u>
Surplus (deficit) after CAPx and CAPm without reimbursement	<u>15,797,670</u>	<u>22,226,002</u>	<u>(5,752,892)</u>
Surplus after CAPx and CAPm net of reimbursement	<u>\$ 18,082,025</u>	<u>29,899,963</u>	<u>10,617,903</u>

As depicted in the table above and detailed in Supplementary Information Schedule 1, prior to consideration of capital maintenance, the Trust generated a \$21.0 million surplus of self-generated revenue in excess of net operating costs in fiscal year 2025. Self-generated revenue increased by \$5.8 million or 13%, to \$49.4 million compared to fiscal year 2024 revenues, as adjusted for non-recurring revenues of \$17.2 million realized in fiscal year 2024, as described in prior sections. Net operating expenses of \$28.5 million in fiscal year 2025 increased 0.5% over the prior fiscal year.

On the revenue side, fiscal year 2025 lease revenues remained steady and benefitted from an extended summer season with good weather in 2024, allowing for extended revenue-generating seasons for seasonal tenants and occupants. Garage revenues improved compared to fiscal year 2024, with continued strong occupancy rates at the Pier 40 Parking Garage. On the expense side, continuing challenges in filling vacant positions and intentional delays in filling some new positions resulted in lower than budgeted staffing expenses for fiscal year 2025. Also, delays in opening the Gansevoort Peninsula and Pier 97 maintenance, restrooms and concession buildings, resulted in lower than projected operating costs in fiscal year 2025. Certain anticipated capital maintenance projects did not commence, deferring expenditures.

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Management's Discussion and Analysis, Continued

As noted above, the Trust endeavors to add to its capital reserves on a continuing basis, as the high costs of capital maintenance were not anticipated when Hudson River Park was being planned. 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. These assets have a useful life of more than five years after project completion. 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 illustrates the extent to which the legislative goal of financial self-sufficiency is 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 \$5.2 million in fiscal year 2025, a decrease of 50% in spending compared to the prior fiscal year. This largely reflects an extended procurement and contracting process for two major categories of CAPm expenditures, along with delays in securing required regulatory approvals. It is expected that spending on these capital maintenance projects will accelerate in fiscal year 2026.

In recent years, to the extent available, the Trust has been able to use restricted Park funds achieved from the sale of certain development rights for capital maintenance to the extent available; however, such sales cannot be predicted or relied upon. The Trust also seeks discretionary appropriations from elected officials for specific capital maintenance projects and has periodically received State and City capital funds for large infrastructure projects as well. The balance of capital maintenance expenditures must be funded from excess annual operating revenues or Trust reserves. In fiscal year 2025, the Trust self-funded \$2.9 million of total capital maintenance expenditures from these reserves. This figure is expected to increase significantly over the next two years as restricted funds available from the previous transfer of development rights at Pier 40 will be depleted on major Pier 40 projects expected to commence shortly.

It should be noted that appropriation revenue is dependent on annual State and City budgets and is only available for designated capital projects on a project-by-project basis. The availability of funds from development rights transfer sales 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, Trust surpluses such as those generated in fiscal years 2025, 2024 and 2023 cannot be assumed in future years.

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Management's Discussion and Analysis, Continued

The Trust ended the fiscal year with an \$18.1 million surplus after reimbursement for eligible operating and capital expenses from available government and restricted funds. As is the Trust's practice, these annual surpluses, when generated, are reserved for future unfunded capital maintenance and other extraordinary and unexpected expenses. By way of example, the Trust funded approximately \$40 million of repairs from damage caused by Tropical Storm Irene and Superstorm Sandy but waited 10 years for full reimbursement from FEMA. In addition, during the onset of the COVID-19 pandemic, the Trust used reserves to maintain staffing levels and operational expenditures in support of public health needs. By statute, the Trust is not permitted to issue debt and is therefore heavily reliant on Trust reserves for capital maintenance funding, cashflow maintenance and occasional other needs.

Expenditures in future years are likely to exceed annual surpluses because of anticipated infrastructure repair needs. As noted above, the Trust has not yet achieved sustainable and long-term financial self-sufficiency with respect to these long-term capital maintenance needs. 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 (possibly resulting in reductions to key services such as sanitation, security and Park programs). Future redevelopment of Pier 76 for its legislatively intended mix of public park space and revenue-generating use remains important for long-term park care.

Lastly, as shown on Supplementary Information Schedule 3 which includes non-operating results, the Trust had a deficit in fiscal year 2025 of \$2.8 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. The primary year-over-year difference in these non-operating expenses is an increase in expense for accrued pension liability and OPEB, a number that has recently fluctuated widely from year to year, and an increase in depreciation as new park construction is completed, increasing the impact of depreciation.

**Cash Flows, Reserve Balances**

The Statements of Cash Flows show that net cash provided by operating activities decreased by 13.8% to \$12.5 million in fiscal year 2025 from \$14.5 million in fiscal year 2024. When adjusted for the two large one-time payments received in fiscal year 2024, cash flows from lease revenues held steady, while parking revenue increased over the previous fiscal year, fees and other revenues, such as outside contributions and grants, had the biggest annual increase, generating the largest increase in net contribution to the park's cash position against the adjusted value for fiscal year 2024. Cash payments decreased in the vendors category by 22% due to reduced construction outlays, as most capital projects neared completion and future projects were in design and not yet ready for construction.

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Management's Discussion and Analysis, Continued

Cash flows from capital financing activities show a net decrease in cash used in capital financing activities of 67%, for \$8.1 million of net cash used in fiscal year 2025. As construction on Pier 97 and other government-funded projects neared completion, the Trust drew on lower amounts of State and city appropriations revenue in fiscal 2025 than in fiscal 2024, as anticipated in the multi-year capital improvement program set forth in the Financing Plan available on the Trust's website.

On March 31, 2025, the Trust held \$46.9 million in collateralized bank accounts and \$185.9 million in investment accounts. Of this combined \$232.8 million, \$70.7 million was restricted for designated capital construction projects. Additional details on the sources of these funds restricted for capital expenditures are available in Note (9) Restricted for Capital Expenditures, in the Notes section. The balance of \$162.1 million was allocated for \$41.4 million of current payables, contract accruals, and future OPEB and pension liabilities, with the remaining \$120.7 million designated for working capital and reserves for meeting future operating expense increases, unforeseen contingencies and future unfunded capital maintenance. Once again, it is worth noting that the Trust cannot borrow for construction financing, requiring reserves to fund capital expenditures prior to reimbursement from any State, City or federal source.

**Subsequent Events**

The are no material subsequent events to report as of the date of these financial statements.

**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, 2<sup>nd</sup> Floor, 353 West Street, New York, New York 10014.

HUDSON RIVER PARK TRUST  
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Statements of Net Position  
March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Cash and equivalents	\$ 46,823,547	56,355,762
Accounts receivable	2,632,067	5,468,012
Prepaid expenses	4,329,914	4,221,629
Investments	185,981,749	162,528,894
Leases receivable - GASB 87	76,000,109	73,171,143
Public-private partnerships receivable - GASB 94	329,104,141	329,104,141
Interest receivable - GASB 94	27,203,271	21,842,954
Construction in progress	21,661,084	65,408,985
Depreciable capital assets, net	<u>774,557,668</u>	<u>734,154,475</u>
Total assets	<u>1,468,293,550</u>	<u>1,452,255,995</u>
Deferred outflows of resources - pension - ERS	<u>3,175,909</u>	<u>3,656,922</u>
Liabilities:		
Accounts payable	6,141,932	8,475,325
Accrued expenses	5,189,636	8,294,530
Net pension liability - proportionate share - ERS	3,123,157	4,769,911
Other postemployment benefits obligation	<u>26,940,780</u>	<u>23,596,290</u>
Total liabilities	<u>41,395,505</u>	<u>45,136,056</u>
Deferred inflows of resources:		
Pension - ERS	1,897,511	397,675
Unearned revenue	3,351,942	596,728
Lease rents	61,218,662	59,279,593
Public-private partnerships	<u>305,650,496</u>	<u>310,880,091</u>
Total deferred inflows of resources	<u>372,118,611</u>	<u>371,154,087</u>
Contingencies (note 11)		
Net position:		
Net investment in capital assets	796,218,752	799,563,460
Restricted for capital expenditures	70,662,539	70,361,383
Unrestricted	<u>191,074,052</u>	<u>169,697,931</u>
Total net position	<u>\$ 1,057,955,343</u>	<u>1,039,622,774</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
General operating revenue:		
Lease revenue	\$ 25,364,131	33,405,958 *
Parking revenue	14,585,279	11,492,260
Fees and other revenue	<u>2,158,203</u>	<u>10,869,984</u> *
Total general operating revenue	<u>42,107,613</u>	<u>55,768,202</u>
General operating expenses:		
Employee compensation and benefits	12,273,311	12,129,940
Park programs and maintenance	12,670,625	12,467,177
General and administrative	<u>7,766,681</u>	<u>7,808,495</u>
Total general operating expenses	<u>32,710,617</u>	<u>32,405,612</u>
Total general operating income	<u>9,396,996</u>	<u>23,362,590</u>
Other operating revenue (expenses):		
Lease revenue - GASB 87	889,897	4,734,548
Public-private partnerships - GASB 94	10,353,512	7,493,955
Other postemployment benefits and pension - GASB 68 and 75	<u>(3,678,585)</u>	<u>(1,402,969)</u>
Total other income	<u>7,564,824</u>	<u>10,825,534</u>
Operating income	<u>16,961,820</u>	<u>34,188,124</u>
Non-operating revenue:		
Appropriations revenue	7,619,837	24,122,308
Air rights	1,000,000	-
Reimbursement	852,950	2,103,055
Settlements and grants	691,325	157,972
Contributions	1,731,899	2,108,468
Interest and realized gain on investments	9,243,752	7,491,165
Unrealized gain on investments	<u>308,105</u>	<u>1,220,051</u>
Total non-operating revenue	21,447,868	37,203,019
Non-operating expense - depreciation and amortization	<u>20,077,119</u>	<u>17,106,787</u>
Total non-operating income	<u>1,370,749</u>	<u>20,096,232</u>
Change in net position	18,332,569	54,284,356
Net position at beginning of year	<u>1,039,622,774</u>	<u>985,338,418</u>
Net position at end of year	<u>\$ 1,057,955,343</u>	<u>1,039,622,774</u>

\*Includes one-time payments as described in the Management's Discussion and Analysis. These payments are not reoccurring.

See accompanying notes to financial statements.

HUDSON RIVER PARK TRUST  
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Statements of Cash Flows  
Years ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from:		
Lease revenue	\$ 24,811,076	33,176,595
Parking revenue	14,585,279	11,492,260
Fees and other revenue	7,690,887	10,616,455
Cash payments to:		
Personnel service	(12,246,660)	(12,041,748)
Vendors	<u>(22,335,945)</u>	<u>(28,730,932)</u>
Net cash provided by operating activities	<u>12,504,637</u>	<u>14,512,630</u>
Cash flows from capital financing activities:		
Appropriations revenue	7,619,837	24,297,844
Air rights revenue	1,000,000	-
Reimbursement	1,228,080	316,871
Settlements and grants	691,325	157,972
Contributions	1,731,899	2,108,468
Expenditures for construction in progress	(19,143,142)	(50,882,460)
Additions to property	(125,835)	(18,881)
Additions to equipment	<u>(1,138,018)</u>	<u>(954,619)</u>
Net cash used in capital financing activities	<u>(8,135,854)</u>	<u>(24,974,805)</u>
Cash flows from investing activities:		
Sales of investments	382,401,038	401,039,865
Purchase of investments	(399,879,002)	(391,738,879)
Earnings on investments	<u>3,576,966</u>	<u>1,758,814</u>
Net cash provided by (used in) investing activities	<u>(13,900,998)</u>	<u>11,059,800</u>
Net change in cash and equivalents	(9,532,215)	597,625
Cash and equivalents at beginning of year	<u>56,355,762</u>	<u>55,758,137</u>
Cash and equivalents at end of year	<u>\$ 46,823,547</u>	<u>56,355,762</u>

(Continued)

See accompanying notes to financial statements.

HUDSON RIVER PARK TRUST  
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Statements of Cash Flows, Continued

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 16,961,820	34,188,124
Adjustments to reconcile operating income to net cash provided by operating activities - changes in:		
Accounts receivable	1,976,379	72,307
Prepaid expenses	(108,285)	(2,166,702)
Leases receivable	(2,828,966)	(30,992,378)
Interest receivable	(5,360,317)	(6,449,885)
Deferred outflows of resources - pension	481,013	218,151
Accounts payable	(2,333,393)	(6,297,997)
Accrued expenses	569,690	97,631
Net pension liability - proportionate share - ERS	(1,646,754)	6,547,821
Other postemployment benefits obligation	3,344,490	505,750
Deferred inflows of resources - pension	1,499,836	(5,868,753)
Deferred inflows of resources - unearned revenue	3,239,650	-
Deferred inflows of resources - lease rents	1,939,069	29,888,156
Deferred inflows of resources - public-private partnerships	<u>(5,229,595)</u>	<u>(5,229,595)</u>
Net cash provided by operating activities	<u>\$ 12,504,637</u>	<u>14,512,630</u>

See accompanying notes to financial statements.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements  
March 31, 2025 and 2024

(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 59<sup>th</sup> 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, initially. This date was subsequently extended to March 31, 2112 in an amendment to the Act in 2013. 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 1<sup>st</sup> through March 31<sup>st</sup>.

Funding for the Park's construction has been provided through multiple public sources, supplemented by private funding for certain specific projects. As of March 31, 2025, the State and City have jointly committed approximately \$599 million to the Trust. In addition, the U.S. Department of Housing and Urban Development (HUD) has provided approximately \$110.7 million, including \$30.7 million for the replacement of Pier 86 (leased to the Intrepid Museum) and \$80 million through the Lower Manhattan Development Corporation for capital projects within the 9/11 community development catchment area. Additional historic funding sources include approximately \$24.4 million from the New York City Council and the Manhattan Borough President through their discretionary funding programs. As of March 31, 2025, approximately \$76.9 million remains undrawn from the City and State funds. In addition, the Trust will receive revenues from other revenue streams, including leases and interest on short-term investments. Moreover, it retains the authority to accept contributions aligned with its mission and to receive appropriations and grants from Federal, State and local governments.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(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.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(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 Federal Deposit Insurance Corporation coverage at March 31, 2025 and 2024. Total financial institution (bank) balances at March 31, 2025 and 2024 amounted to \$46,888,120 and \$56,973,784, respectively. Total deposits as categorized on the previous page are as follows:

	<u>2025</u>	<u>2024</u>
(i)	\$ 46,888,120	56,973,784
(ii)	-	-
(iii)	<u>-</u>	<u>-</u>
	\$ <u>46,888,120</u>	<u>56,973,784</u>

Cash and equivalents at March 31, 2025 and 2024 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. During the year ended March 31, 2025, interest received on investments was \$4,912,979, the realized gain for the year was \$4,330,773, and unrealized gains were \$308,105. During the year ended March 31, 2024, interest received on investments was \$2,818,614, the realized gain for the year was \$4,672,551, and unrealized gains were \$1,220,051.

(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.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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. 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. Depreciation is calculated on a straight-line basis ranging from 3 - 50 years, which is the estimated useful life of the assets.

(i) Deferred Outflows of Resources - Pension - ERS

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 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 four items that qualify for reporting in this category.

(i) Deferred Inflows of Resources - Pension - ERS

The first item is related to pensions and represents changes in the Trust's proportion of the collective net pension liability 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 - Unearned Revenue

The second item in deferred inflows of resources consists of funds received by the Trust that will be earned in a future period.

(iii) Deferred Inflows of Resources - Lease Rents

The third item in deferred inflows of resources consists of long-term lease revenue.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Deferred Inflows of Resources, Continued

(iv) Deferred Inflows of Resources - Public-Private Partnerships

The fourth item in deferred inflows of resources consists of long-term revenue from public-private partnership arrangements.

(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 rental payments 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 revenues consist of amounts received as the result of State and Federal awards. Contributions are amounts receivable for donor restricted purposes or unrestricted purposes.

(l) Non-operating Revenue

The Trust's non-operating revenue consists of a mix of restricted and unrestricted funds and includes appropriation revenue from the State and the City for certain capially eligible construction projects. Air right assets, as well as certain grants and contributions, are similarly restricted.

(m) 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.

(n) 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.

(o) Reclassifications

Reclassifications have been made to certain 2024 balances in order to conform them to the 2025 presentation.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(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 inputs.

Investment securities at March 31, 2025 consist of the following:

	<u>Maturity</u>	<u>Rate</u>	<u>Fair value</u>	<u>Fair value Hierarchy</u>
U.S. Treasuries	Less than 6 months	0.250% to 4.250%	\$ 13,911,650	Level 2
U.S. Treasuries	6 months to 1 year	0.250 % to 5.000%	100,683,237	Level 2
U.S. Treasuries	1 to 5 years	0.750% to 4.875%	27,536,747	Level 2
City of New York Bonds	Less than 6 months	2.280%	1,489,230	Level 2
Money market funds with investments in U.S. Government debt			<u>42,360,885</u>	Level 2
			\$ <u>185,981,749</u>	

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(3) Fair Value of Investments, Continued

Investment securities at March 31, 2024 consist of the following:

	<u>Maturity</u>	<u>Rate</u>	<u>Fair value</u>	<u>Fair value Hierarchy</u>
U.S. Treasuries	Less than 6 months	0.375% to 2.125%	\$ 11,486,484	Level 2
U.S. Treasuries	6 months to 1 year	1.375% to 2.000%	24,889,607	Level 2
U.S. Treasuries	1 to 5 years	0.250% to 0.500%	21,382,700	Level 2
New York State Urban Development Corporation Bonds	6 months to 1 year	0.870%	1,382,746	Level 2
City of New York Bonds	1 to 5 years	2.280%	1,446,270	Level 2
Money market funds with investments in U.S. Government debt			<u>101,941,087</u>	Level 2
			<u>\$ 162,528,894</u>	

(4) Capital Assets

Capital assets at March 31, 2025 and 2024 consist of the following:

	<u>2025</u>				
	<u>Balance at March 31, 2024</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance at March 31, 2025</u>
Capital assets:					
Non-depreciable or amortizable assets-construction in progress	\$ <u>65,408,985</u>	<u>15,468,558</u>	<u>(59,216,459)</u>	-	<u>21,661,084</u>
Depreciable and amortizable assets:					
Pier improvements	901,039,587	-	59,216,459	-	960,256,046
Machinery and equipment	6,730,195	681,171	-	-	7,411,366
Computer equipment	1,931,523	191,088	-	-	2,122,611
Software	1,816,938	-	-	-	1,816,938
Automobiles	2,818,505	265,759	-	-	3,084,264
Furniture and fixtures	438,969	125,835	-	-	564,804
Office renovation	<u>528,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528,746</u>
Total depreciable and amortizable assets	<u>915,304,463</u>	<u>1,263,853</u>	<u>59,216,459</u>	<u>-</u>	<u>975,784,775</u>



HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(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 actuarially estimated lives of the employees.

Total expenditures charged to general and administrative expense for the years ended March 31, 2025 and 2024 amounted to \$492,627 and \$417,176, respectively. The Trust total OPEB liability of \$26,940,780 and \$23,596,290 was measured as of March 31, 2025 and 2024 and was determined by an actuarial valuation as of March 31, 2024. 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, 2024, the actuarial valuation date, was as follows:

Active employees	72
Retired employees	22
Spouses of employees	<u>35</u>
Total	<u>129</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability for the year ended March 31, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%
Discount rate	4.55%
Healthcare cost trend rates	5.80% for 2025, decreasing to an ultimate rate of 4.10%

Changes in the Total OPEB Liability

	<u>2025</u>	<u>2024</u>
Total OPEB liability at beginning of year	\$ <u>23,596,290</u>	<u>23,090,540</u>
Changes for the year:		
Service cost	1,163,620	1,309,106
Interest on total OPEB liability	1,037,033	979,822
Differences between actual and expected experience	3,053,574	(650,218)
Changes in assumptions	(1,417,110)	(715,784)
Benefit payments	<u>(492,627)</u>	<u>(417,176)</u>
Total changes	<u>3,344,490</u>	<u>505,750</u>
Total OPEB liability at end of year	\$ <u>26,940,780</u>	<u>23,596,290</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(5) Other Postemployment Benefits Obligation, Continued

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, 2025, 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 (3.55%) or 1-percentage-point higher (5.55%) than the current discount rate:

	1% Decrease <u>(3.55%)</u>	Discount Rate <u>(4.55%)</u>	1% Increase <u>(5.55%)</u>
Total OPEB liability	\$ <u>31,739,310</u>	<u>26,940,780</u>	<u>23,110,580</u>

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, 2025, 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 or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ <u>20,501,060</u>	<u>26,940,780</u>	<u>35,757,680</u>

(6) Related Party Transactions

Related party transactions as of and for the years ended March 31, 2025 and 2024 consist of the following:

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

At March 31, 2025 and 2024, the Trust had requested \$7,619,837 and \$24,122,308, 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.

Effective April 1, 2023, a new five year contract was signed with the New York Parks Department. During the years ended March 31, 2025 and 2024, the Trust incurred expenses of \$4,219,470 and \$4,617,145, respectively.

The Trust has an agreement for property maintenance services with the New York State Department of Transportation. At March 31, 2025 and 2024, these services, including accounts receivable, amounted to \$815,815 and \$640,596, respectively.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(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) Leases Receivable

The Trust has executed multiple non-cancellable lease agreements with commercial businesses, restaurants and non-profits, for buildings and spaces located on piers and upland areas throughout the park. The Trust previously implemented GASB Statement No. 87 and used the payment schedules for those leases to measure the lease receivable.

Calculations pursuant to GASB Statement No. 87 require an interest rate assumption for discounting of future lease payments. The Trust is not legally able to incur or issue debt and therefore does not have a directly measurable cost of borrowing. As a proxy, the Trust has used the Municipal Market Data (MMD) Index, as calculated on the lease commencement date for a maturity comparable to that of each lease, as the applicable interest rate. The interest rates range from 0.89% to 5.04%, depending on the commencement date and length of each lease.

The following is the amortization schedule for the lease receivables:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 6,824,237	2,245,438	9,069,675
2027	6,618,769	2,053,809	8,672,578
2028	6,554,029	1,871,863	8,425,892
2029	6,388,018	1,683,976	8,071,994
2030	6,917,346	1,507,325	8,424,671
2031 - 2035	29,437,164	5,166,502	34,603,666
2036 - 2040	<u>13,260,546</u>	<u>1,275,067</u>	<u>14,535,613</u>
Total	\$ <u>76,000,109</u>	<u>15,803,980</u>	<u>91,804,089</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(7) Leases Receivable, Continued

The following is the amortization schedule for the deferred inflows of resources:

<u>Year ending</u>	<u>Revenue</u>
2026	\$ 7,553,090
2027	6,833,466
2028	6,833,466
2029	6,088,216
2030	6,088,216
2031 - 2035	21,800,258
2036 - 2040	5,816,928
2041 - 2043	<u>205,022</u>
Total	\$ <u>61,218,662</u>

(8) Public-Private Partnerships Receivable

The Trust has executed two non-cancellable public-private partnership (PPP) agreements with private entities for buildings and spaces located on piers and upland areas throughout the park. The Trust previously implemented GASB Statement No. 94 and used the payment schedules for those PPPs to measure the lease receivable.

Calculations pursuant to GASB Statement No. 94 require an interest rate assumption for discounting of future PPP payments. The Trust is not legally able to incur or issue debt and therefore does not have a directly measurable cost of borrowing. As a proxy, the Trust has used the Municipal Market Data (MMD) Index, as calculated on the PPP commencement date for a maturity comparable to that of each PPP, as the applicable interest rate. The interest rates range from 3.67% to 4.55%, depending on the commencement date and length of each PPP.

The following is the amortization schedule for the PPP receivables:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ (5,196,322)	13,131,437	7,935,115
2027	(4,959,446)	13,064,403	8,104,957
2028	(4,819,702)	12,994,413	8,174,711
2029	(4,539,356)	12,921,338	8,381,982
2030	(4,182,148)	12,845,039	8,662,891
2031 - 2035	(18,668,866)	62,957,533	44,288,667
2036 - 2040	(17,184,747)	60,476,442	43,291,695
2041 - 2045	(10,122,905)	57,396,441	47,273,536
2046 - 2050	(584,131)	53,572,113	52,987,982
2051 - 2055	8,671,345	48,822,559	57,493,904

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(8) Public-Private Partnerships Receivable, Continued

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2056 - 2060	\$ 36,862,814	42,922,707	79,785,521
2061 - 2065	54,052,583	35,592,484	89,645,067
2066 - 2070	7,196,027	28,640,199	35,836,226
2071 - 2075	2,186,316	26,988,809	29,175,125
2076 - 2080	9,525,126	25,410,792	34,935,918
2081 - 2085	16,643,645	23,521,160	40,164,805
2086 - 2090	24,931,148	21,258,378	46,189,526
2091 - 2095	34,569,195	18,548,760	53,117,955
2096 - 2100	45,781,581	15,304,067	61,085,648
2101 - 2105	58,829,859	11,418,636	70,248,495
2106 - 2110	74,019,829	6,765,941	80,785,770
2111 - 2113	<u>53,295,567</u>	<u>1,451,218</u>	<u>54,746,785</u>
Total	\$ <u>356,307,412</u>	<u>606,004,869</u>	<u>962,312,281</u>

The following is the amortization schedule for the deferred inflows of resources:

<u>Year ending</u>	<u>Revenue</u>
2026	\$ 5,229,595
2027	5,229,595
2028	5,229,595
2029	5,229,595
2030	5,229,595
2031 - 2035	26,147,975
2036 - 2040	26,147,975
2041 - 2045	26,147,975
2046 - 2050	26,147,975
2051 - 2055	26,147,975
2056 - 2060	26,147,975
2061 - 2065	26,147,975
2066 - 2070	12,994,455
2071 - 2075	9,706,075
2076 - 2080	9,706,075
2081 - 2085	9,706,075
2086 - 2090	9,706,075
2091 - 2095	9,706,075
2096 - 2100	9,706,075
2101 - 2105	9,706,075
2106 - 2110	9,706,075
2111 - 2113	<u>5,823,641</u>
Total	\$ <u>305,650,496</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(9) Restricted for Capital Expenditures

Net position restricted for capital expenditures at March 31, 2025 and 2024 is summarized as follows:

<u>Source</u>	<u>2025</u>	<u>2024</u>
New York State Department of Environmental Conservation	\$ 4,708,502	4,528,985
Sale of development rights - Pier 40	17,931,173	20,484,199
Sale of development rights - Chelsea	42,535,854	40,070,387
Other	<u>5,487,010</u>	<u>5,277,812</u>
Total restricted for capital expenditures	\$ <u>70,662,539</u>	<u>70,361,383</u>

(10) 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 defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. 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 System also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications](http://www.osc.state.ny.us/retire/publications) 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% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 6% of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

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

At March 31, 2025 and 2024, the Trust reported the following for its proportionate share of the net pension System. The net pension System was measured as of March 31, 2024 and 2023, respectively. The total pension liability used to calculate the net pension System was determined by an actuarial valuation. The Trust's proportionate share of the net pension System 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 the System in reports provided to the Trust.

Actuarial valuation date	4/1/2023	4/1/2022
Net pension liability	\$ 3,123,157	4,769,911
Trust's proportion of the System's net pension liability	0.0212113%	0.0222435%
Change in proportion since prior measurement date	(0.0010322)	0.0004943

For the years ended March 31, 2025 and 2024, the Trust recognized pension expense of \$1,277,127 and \$1,621,436, respectively, for the System in the statements of revenue, expenses and changes in net position. At March 31, 2025 and 2024, the Trust's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,005,966	85,160	508,033	133,957
Changes of assumptions	1,180,796	-	2,316,576	25,603
Net difference between projected and actual earnings on pension plan investments	-	1,525,646	-	28,023
Changes in proportion and differences between the Trust's contributions and proportionate share of contributions	48,096	286,705	102,864	210,092
Trust's contributions subsequent to the measurement date	<u>941,051</u>	<u>-</u>	<u>729,449</u>	<u>-</u>
Total	<u>\$ 3,175,909</u>	<u>1,897,511</u>	<u>3,656,922</u>	<u>397,675</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

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

Trust contributions subsequent to the measurement date will be recognized as a reduction of the net pension System in the year ending March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	
2026	\$ (647,535)
2027	514,114
2028	847,554
2029	(376,786)
Total	\$ <u>337,347</u>

(c) Actuarial Assumptions

The total pension liability at March 31, 2024 was determined using a roll forward procedure to advance the liability calculated using system assumptions and member demographics from the actuarial valuation completed as of April 1, 2023. Economic assumptions used in the April 1, 2023 actuarial valuation include:

Measurement date	March 31, 2024
Actuarial valuation date	April 1, 2023
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary increases	4.4%
Inflation	2.9%
Cost-of-living adjustments	1.5%

To set the long-term rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates at return (expected return, net of investment expenses and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

(c) Actuarial Assumptions, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	32%	4.00%
International equity	15%	6.65%
Private equity	10%	7.25%
Real estate	9%	4.60%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	3%	5.75%
Fixed income	23%	1.50%
Cash	<u>1%</u>	0.25%
	<u>100%</u>	

\*The real rate of return is net of the long-term inflation assumption of 2.9%.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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.

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

The following presents the Trust's proportionate share of the net pension liability 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 ( <u>4.9%</u> )	Current Assumption ( <u>5.9%</u> )	1% Increase ( <u>6.9%</u> )
Employer's proportionate share of the net pension asset (liability)	\$ ( <u>9,819,526</u> )	( <u>3,123,157</u> )	<u>2,469,699</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

(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)	
Measurement date	3/31/25	3/31/24
Employers' total pension liability	\$ 240,697	232,627
Plan net position	<u>(225,973)</u>	<u>(211,183)</u>
Employers' net pension liability	\$ <u>14,724</u>	<u>21,444</u>
Ratio of fiduciary net position to the Employers' total pension liability	93.88%	90.78%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of March 31, 2025 and 2024 represent the projected employer contribution for the period of April 1, 2024 through March 31, 2025 and April 1, 2023 through March 31, 2024, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. Retirement contributions paid to the System for the years ended March 31, 2025 and 2024 were \$941,051 and \$729,449, respectively.

(11) Contingencies

Contingencies at March 31, 2025 consist of the following:

(a) Litigation

The Trust is involved in various claims and lawsuits 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.

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Notes to Financial Statements, Continued

(11) Contingencies, Continued

(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. The original 18 cases have been consolidated into one action for joint discovery and trial. As of the issuance date of these financial statements, discovery is continuing. The Trust carries liability insurance that covers a portion of the contingent liability.

(12) Contributions

Contributions received for the years ended March 31, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Friends of Hudson River Park Trust	\$ 1,701,000	2,086,686
Other	<u>30,899</u>	<u>21,782</u>
	<u>\$ 1,731,899</u>	<u>2,108,468</u>

(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. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

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, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:							
Service cost	\$ 1,163,620	1,309,106	2,138,610	1,894,857	1,164,880	1,164,880	1,106,111
Interest on total OPEB liability	1,037,033	979,822	631,232	735,888	852,190	668,458	594,911
Differences between actual and expected experience	3,053,574	(650,218)	(381,678)	(2,372,461)	(1,167,781)	(502,740)	192,206
Changes in assumptions	(1,417,110)	(715,784)	(11,280,448)	3,454,908	6,285,078	3,841,970	(493,708)
Benefit payments	<u>(492,627)</u>	<u>(417,176)</u>	<u>(367,606)</u>	<u>(258,282)</u>	<u>(210,365)</u>	<u>(203,374)</u>	<u>(285,696)</u>
Net change in total OPEB liability	3,344,490	505,750	(9,259,890)	3,454,910	6,924,002	4,969,194	1,113,824
Total OPEB liability - beginning	<u>23,596,290</u>	<u>23,090,540</u>	<u>32,350,430</u>	<u>28,895,520</u>	<u>21,971,518</u>	<u>17,002,324</u>	<u>15,888,500</u>
Total OPEB liability- ending	<u>\$ 26,940,780</u>	<u>23,596,290</u>	<u>23,090,540</u>	<u>32,350,430</u>	<u>28,895,520</u>	<u>21,971,518</u>	<u>17,002,324</u>
Covered payroll	\$ 7,097,483	6,487,137	6,337,566	6,359,016	6,223,908	5,696,661	5,152,017
Total OPEB liability as a percentage of covered payroll	379.6%	363.7%	364.3%	508.7%	464.3%	385.7%	330.0%

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:

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
4.55%	4.23%	4.05%	1.84%	2.40%	2.60%	3.70%

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 is presenting 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  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Asset (Liability)  
 Year ended March 31, 2025

NYSERS Pension Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Trust's proportion of the net pension asset (liability)	0.0212113%	0.0222435%	0.0217492%	0.0220465%	0.0206192%	0.0192262%	0.0192998%	0.0178503%	0.0188732%	0.0186450%
Trust's proportionate share of the net pension asset (liability)	\$ (3,123,157)	(4,769,911)	1,777,910	(21,953)	(5,460,071)	(1,362,236)	(622,889)	(1,677,257)	(3,029,206)	(629,872)
Trust's covered payroll	\$ 7,097,483	6,487,137	6,337,566	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 asset (liability) as a percentage of its covered payroll	44.00%	73.53%	28.05%	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 asset (liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.50%

HUDSON RIVER PARK TRUST  
Required Supplementary Information  
Schedule of Employer Pension Contributions  
Year ended March 31, 2025

NYSERS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 941,051	729,449	642,186	890,656	781,031	717,973	666,639	636,752	600,181	707,967
Contributions in relation to the contractually required contribution	<u>941,051</u>	<u>729,449</u>	<u>642,186</u>	<u>890,656</u>	<u>781,031</u>	<u>717,973</u>	<u>666,639</u>	<u>636,752</u>	<u>600,181</u>	<u>707,967</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trust's covered payroll	\$ 7,097,483	6,487,137	6,337,566	6,359,016	6,223,908	5,696,661	5,152,017	4,727,541	4,423,662	4,391,701
Contributions as a percentage of covered payroll	13.26%	11.24%	10.13%	14.01%	12.55%	12.60%	12.94%	13.47%	13.57%	16.12%

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue:		
General operating revenue (note 1)	\$ 42,107,613	55,768,202
Self-generated portion of non-operating revenue (note 2)	<u>7,336,203</u>	<u>5,085,054</u>
Total revenue	<u>49,443,816</u>	<u>60,853,256</u>
Expenses:		
Direct park operating expenses:		
Education and park programs	4,168,648	3,850,177
Grounds, facilities and capital plant	8,142,254	8,409,742
Public safety and security	4,219,470	4,617,145
Sanitation	1,854,040	1,914,839
Utilities	2,127,797	1,766,656
Insurance	<u>6,309,002</u>	<u>6,139,008</u>
Total direct park operating expenses	<u>26,821,211</u>	<u>26,697,567</u>
Other park operating expenses:		
Parking expenses	2,213,002	1,936,168
Admin, support and overhead expenses	<u>5,466,193</u>	<u>5,616,980</u>
Total other park operating expenses	<u>7,679,195</u>	<u>7,553,148</u>
Total expenses	34,500,406	34,250,715
Reimbursable operating expenses (note 4)	<u>(6,014,559)</u>	<u>(5,920,258)</u>
Net operating expenses	<u>28,485,847</u>	<u>28,330,457</u>
Surplus	<u>\$ 20,957,969</u>	<u>32,522,799</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Surplus before capital maintenance and capital equipment	\$ 20,957,969	32,522,799
Equipment capital maintenance	1,263,853	954,619
Upland and park piers capital maintenance	1,382,661	3,387,252
Marine structures other than Pier 40 capital maintenance	726,721	440,928
Pier 40 capital maintenance	<u>1,787,064</u>	<u>5,513,998</u>
Gross amount of capital maintenance and capital equipment without reimbursable	<u>5,160,299</u>	<u>10,296,797</u>
Surplus after capital maintenance and capital equipment reimbursable	<u>15,797,670</u>	<u>22,226,002</u>
Reimbursable capital maintenance and capital equipment from restricted funds (non-governmental)	1,909,882	6,596,611
Reimbursable capital maintenance and capital equipment from from appropriations (governmental)	<u>374,473</u>	<u>1,077,350</u>
Total reimbursable capital maintenance and capital equipment	<u>2,284,355</u>	<u>7,673,961</u>
Surplus after capital maintenance and capital equipment net of reimbursable	<u>\$ 18,082,025</u>	<u>29,899,963</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Surplus before capital maintenance and capital equipment	\$ <u>20,957,969</u>	<u>32,522,799</u>
Other and non-operating expenses:		
OPEB and accrued pension liability	3,678,585	1,402,969
Depreciation and amortization	<u>20,077,119</u>	<u>17,106,787</u>
Total other and non-operating expenses	<u>23,755,704</u>	<u>18,509,756</u>
Surplus (deficit) after non-operating costs	<u>\$ (2,797,735)</u>	<u>14,013,043</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Supplementary Information  
Notes to Supplementary Information  
Years ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Note 1 - included in general operating revenue:		
Lease and occupancy permits (includes one-time payment in 2024)	\$ 25,364,131	33,405,958
Parking	14,585,279	11,492,260
Fees (includes one-time payment in 2024)	1,835,222	10,181,108
Sponsorship	54,208	261,978
Other income	<u>268,773</u>	<u>426,898</u>
Total general operating revenue	<u>\$ 42,107,613</u>	<u>55,768,202</u>
Note 2 - included in non-operating revenue		
Interest	4,912,979	2,818,614
Contributions and grants	<u>2,423,224</u>	<u>2,266,440</u>
Total non-operating revenue	<u>\$ 7,336,203</u>	<u>5,085,054</u>
Note 3 - included in three designated expense categories:		
Payroll	8,593,454	8,558,130
Fringe benefits	<u>3,679,857</u>	<u>3,571,810</u>
Total personnel	<u>\$ 12,273,311</u>	<u>12,129,940</u>
Full time employees	<u>81</u>	<u>80</u>
Part-time employees	<u>5</u>	<u>2</u>
Note 4 - reimbursable operating expenses		
Insurance	5,113,682	5,265,361
Ground, facilities and capital plant	<u>900,877</u>	<u>654,897</u>
Total reimbursable operating expenses	<u>\$ 6,014,559</u>	<u>5,920,258</u>

HUDSON RIVER PARK TRUST  
(A Public Benefit Corporation of the State of New York)  
Supplementary Information  
Notes to Supplementary Information, Continued

	<u>2025</u>	<u>2024</u>
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	\$ 20,957,969	32,522,799
OPEB and accrued pension asset/liability	(3,678,585)	(1,402,969)
Self generated portion of non-operating revenue	(7,336,203)	(5,085,054)
Reimbursable operating expenses	(6,014,559)	(5,920,258)
Lease revenue - GASB 87	889,897	4,734,548
Lease revenue - GASB 94	10,353,512	7,493,955
Insurance cost adjustment *	<u>1,789,789</u>	<u>1,845,103</u>
Operating income	<u>\$ 16,961,820</u>	<u>34,188,124</u>
Note 5b		
Surplus (deficit) after non-operating expenses	(2,797,735)	14,013,043
Depreciation and amortization	20,077,119	17,106,787
Self-generated portion of non-operating revenue (see note 2)	(7,336,203)	(5,085,054)
Reimbursable operating expenses (see note 4)	(6,014,559)	(5,920,258)
Lease revenue - GASB 87	889,897	4,734,548
Lease revenue - GASB 94	10,353,512	7,493,955
Insurance cost adjustment *	<u>1,789,789</u>	<u>1,845,103</u>
Operating income	<u>\$ 16,961,820</u>	<u>34,188,124</u>

\* 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.

**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), a New York State public benefit corporation, as of and for the year ended March 31, 2025, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated June 25, 2025.

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 25, 2025

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors  
Hudson River Park Trust:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the Hudson River Park Trust (the Trust), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law and Title 2 Section 201.3 of the New York Codes, Rules and Regulations (the investment guidelines) that could have a direct and material effect on its investments for the year ended March 31, 2025.

In our opinion, the Trust complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended March 31, 2025.

Basis for Opinion on Investment Compliance

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, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' 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 with the investment guidelines. 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 investments.

## Auditors' 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 investment guidelines, 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 the investment guidelines as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the investment guidelines, 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 investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of 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 the investment guidelines 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 investment guidelines 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 the investment guidelines 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 Auditors' 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 investment guidelines. Accordingly, this report is not suitable for any other purpose.

*EFPR Group, CPAs, PLLC*

Williamsville, New York  
June 25, 2025