

June 25, 2012

CONFIDENTIAL

The Board of Directors
Hudson River Park Trust
Pier 40 at West Houston Street
New York, New York 10014

Dear Board Members:

We have completed our audit of the financial statements of Hudson River Park Trust (the Trust) for the year ended March 31, 2012. We reported on the Trust's internal control in our report dated June 25, 2012, which noted no instances of noncompliance that are required to be reported under Government Auditing Standards. We now present for your consideration our comments and recommendations based upon observations made during our audit. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose.

This report is intended solely for the information and use of the Board of Directors, management and others within the Trust.

Postemployment Health Costs

Upon an employee qualifying for retirement, the Trust is required to pay a significant portion of an employee's health insurance costs during their retirement. This postemployment benefit is not currently reflected on the books of the Trust. In order for the Trust to properly determine the future liability of postemployment health insurance costs and to properly budget for these costs on an annual basis, we recommend that the Trust have an actuarial valuation completed.

General Ledger Software

During the course of our audit, we noted that the accounts receivable and accounts payable subsidiary ledgers were out of balance with the general ledger. In addition, we also noted a journal entry for the year end that did not post properly due to missing information, for which the system did not identify the discrepancy. In order to avoid these issues and provide accurate financial data, we recommend that the Trust investigate these issues with their software vendor.

Status of Prior Recommendations

We reviewed the disposition of recommendations included in our letter dated June 15, 2011. The following is a summary of the action taken by the Trust with regard to our recommendations.

Personnel Policies and Procedures - In 2011, we noted that not all personnel policies and procedures practiced by the Trust were included in the Employee Handbook. In order to provide clear and complete information to all employees of the Trust, we recommended that the Trust review its Employee Handbook to ensure that all policies practiced are included in the handbook. In 2012, there was no action taken with regard to this recommendation. We again recommend that the Trust review to employee handbook to ensure that all policies and practices are included in the handbook.

Lease Revenue Tracking - In 2011 during our review of lease revenue, we noted that the tracking of individual lease revenue was performed in an Excel spreadsheet and we noted an instance where lease revenue was recorded for a leased location vacated. In order to improve the accuracy of the tracking of lease revenue and related receivable amounts, we recommended that the Trust investigate a software package designed for tracking lease revenue. In addition, the software should have the capability to track and balance any related security deposits collected for the leased locations. In 2012, there was no action taken with regard to this recommendation. In addition, we noted differences between the excel spreadsheet and the general ledger balance at year end. We again recommend that the Trust investigate a software package designed for tracking lease revenue, with the capability to track and balance any related security deposits collected.

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We take this opportunity to thank the staff of the Trust for the courtesy and cooperation extended to us during our audit. If you have any questions regarding the foregoing comment or wish any assistance in their implementation, please contact us at your convenience.

Very truly yours,

TOSKI & CO., CPAs, P.C.



Ronald C. Toski, CPA
Managing Director