



**AUDIT COMMITTEE
and
FINANCE & INVESTMENT COMMITTEE
JOINT MEETING**

August 26, 2020 at 12:00 PM

Attendees:

Directors: Diana Taylor, Michael Kuh, Purnima Kapur, Jeffrey Kaplan, Pedram Mahdavi on behalf of Director Been

HRPT Staff: Madelyn Wils, Dan Kurtz, Noreen Doyle, Sikander Zuberi, Christine Fazio

EFPR Group: Douglas Zimmerman, Kent Standcliff

After introductions, President Madelyn Wils welcomed the Directors and then asked CFO/EVP Dan Kurtz to present the review of the Fiscal Year 2020 Draft Financial Audit that had been shared with all members of the Audit Committee and Finance & Investment Committee.

Mr. Kurtz introduced Doug Zimmerman and Kent Standcliff who, on behalf of the Trust's outside auditors EFPR Group, prepared the draft Fiscal Year 2020 Financial Audit. Mr. Zimmerman, the partner in charge, began by confirming that, while the audit normally completed by June 30th each year was delayed due to COVID, the analysis, materials reviewed and the procedures remained the same as in past years except that all documents were examined electronically rather than at HRPT's office.

He explained that the first section of the Draft Audit comprises EFPR Group's Independent Auditors Report to the Board, and that EFPR was providing an unqualified, clean opinion: no issues arose during the audit or in the presentation of financial information for the Directors to be concerned about. As noted in the Draft Audit, EFPR Group's opinion is that the Trust's financial statements present fairly, in all material respect, the respective financial position of the Trust as of March 31, 2020 and 2019, and the respective changes in the Trust's financial position and cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States.

Mr. Standcliff then went over all the tables in detail for the Directors, including the Statements of Net Position on page 16; Statements of Revenue, Expenses and Changes in Net position on page 17; and Statements of Cash Flows on pages 18 -19. Mr. Kurtz explained that the Supplementary Information on pages 42 to 45 were modified from past years to be more similar in format to the Trust's budget document and thus easier for the public to review and make comparisons. The revised format also provides greater clarity on revenue that the Trust

generates from within the Park (as compared to revenue provided by government and other outside funding sources).

The Directors complimented EFPR Group's thorough analysis and detailed overview of the Draft Audit and had no further comments or questions. Upon a properly called motion, the Directors approved of the Trust's filing the final Financial Audit for FY 2020 with the Authorities Budget Office and posting it on the Trust website as required by the Public Authorities Law. Mr. Kurtz stated that the final Audit will be sent to all Directors.

Mr. Kurtz then provided an overview of the Trust's collections of revenue and expenses for the first four months of the current Fiscal Year under current COVID-19 constraints as compared to the approved Budget. Ms. Wils also informed the Directors of the plans for initially funding the construction planned next year for Gansevoort Peninsula and Pier 97.

The Directors then moved to go into Executive Session to discuss a potential litigation issue.

After the discussion at the Executive Session, the meeting was adjourned at 1:30 pm.