<table>
<thead>
<tr>
<th>Net Financial Position</th>
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<tbody>
<tr>
<td>Current Assets:</td>
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<tr>
<td>Cash and equivalents</td>
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<tr>
<td>Accounts receivable</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
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<tr>
<td>Prepaid expenses</td>
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<tr>
<td>Long Term Receivables (25% FEMA Receivable)</td>
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<tr>
<td>Construction in progress</td>
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<tr>
<td>Property and equipment, net</td>
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<tr>
<td><strong>Total Other Assets</strong></td>
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<tr>
<td><strong>Total assets</strong></td>
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<tr>
<td>Current Liabilities:</td>
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<tr>
<td>Accounts payable</td>
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<tr>
<td>Accrued expenses (Includes net pension liability)</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
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<tr>
<td>Other Postemployment Benefits Obligation</td>
</tr>
<tr>
<td>Deferred inflows of resources - unearned revenue</td>
</tr>
<tr>
<td><strong>Net position:</strong></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
</tr>
<tr>
<td>Restricted for capital expenditures</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
</tr>
</tbody>
</table>
## HUDSON RIVER PARK APPROVED BUDGET VS. SECOND QUARTER ACTUALS (Unaudited)

<table>
<thead>
<tr>
<th><strong>FUNCTION SUMMARY</strong></th>
<th><strong>2018 FY Budget</strong></th>
<th><strong>Q 2 ACTUALS</strong></th>
<th><strong>% Change</strong></th>
<th><strong>Variance Explanations (if + 5% from 50% for 6 Mo)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT PARK OPERATIONS</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Education and Park Programs</td>
<td>$2,046,882</td>
<td>$1,280,579</td>
<td>63%</td>
<td>Seasonal Variation</td>
</tr>
<tr>
<td>Grounds, Facilities &amp; Capital Plant</td>
<td>$5,624,523</td>
<td>$2,002,736</td>
<td>36%</td>
<td>Delays in supplies due to rebranding &amp; plant materials expected Feb/March</td>
</tr>
<tr>
<td>Security</td>
<td>$2,631,259</td>
<td>$1,250,622</td>
<td>48%</td>
<td>Accrual only</td>
</tr>
<tr>
<td>Sanitation</td>
<td>$1,320,000</td>
<td>$811,685</td>
<td>46%</td>
<td>Accrual only</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,425,000</td>
<td>$539,971</td>
<td>38%</td>
<td>Heating &amp; Lighting expected to increase in winter</td>
</tr>
<tr>
<td>Insurance</td>
<td>$1,002,201</td>
<td>$431,413</td>
<td>48%</td>
<td>Within budget</td>
</tr>
<tr>
<td><strong>TOTAL DIRECT PARK OPERATIONS</strong></td>
<td>$13,947,865</td>
<td>$6,117,207</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td><strong>PARKING OPERATIONS</strong></td>
<td>$1,430,907</td>
<td>$641,031</td>
<td>45%</td>
<td>Within budget</td>
</tr>
<tr>
<td><strong>ADMIN, SUPPORT &amp; OH</strong></td>
<td>$5,955,358</td>
<td>$2,936,974</td>
<td>49%</td>
<td>Within budget</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING (OPEX)</strong></td>
<td>$21,334,130</td>
<td>$9,697,212</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS (DEFICIT)</strong></td>
<td>$6,151,772</td>
<td>$6,184,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CAPx AND CAPm</strong></td>
<td>$6,622,600</td>
<td>$1,497,051</td>
<td>23%</td>
<td>See below</td>
</tr>
<tr>
<td><strong>TOTAL OPEX &amp; CAPM</strong></td>
<td>$37,968,730</td>
<td>$11,194,263</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td><strong>ANNUAL SURPLUS (DEFICIT)</strong></td>
<td>($470,829)</td>
<td>$4,687,154</td>
<td></td>
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</tr>
<tr>
<td><strong>NON OPERATING EXPENSE</strong></td>
<td>$12,680,262</td>
<td>$6,340,131</td>
<td>50%</td>
<td>Accrual only</td>
</tr>
<tr>
<td><strong>NOI (AFTER NON CASH TRANSACTIONS)(a)</strong></td>
<td>($6,528,491)</td>
<td>($155,927)</td>
<td></td>
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</tr>
</tbody>
</table>

### Notes

1. Included in Operating Revenue
   - Lease and Occupancy Permits | $17,064,602 | $9,812,988 | 58% | Vacancies less than budgeted |
   - Parking | $6,893,799 | $3,992,941 | 58% | Parking spots vacancies less than budgeted |
   - Fees | $1,675,000 | $1,314,589 | 78% | Seasonal variation |
   - Contributions | $1,000,000 | $25,060 | 3% | Contribution from FOHRP not expected until after Gala |
   - Other | $852,500 | $735,838 | 86% | Interest income increased due to change in rate & higher other income |
2. Included in OPEX
   - Payroll | $6,352,569 | $3,096,263 | 49% | Within budget ; one vacant position |
   - Fringe Benefits | $2,608,635 | $1,386,551 | 53% | Within budget (Pension contribution accrued) |
   - Total Personnel | $9,961,204 | $4,482,815 | 50% | |
   - Full Time Permanent Employees | 72 | 71 | |
3. Included in CAPM (net of reimbursements)
   - Equipment (incl replacements) | $1,287,721 | $643,861 | 50% | Accrual only |
   - Capital Maintenance | $11,392,541 | $5,696,270 | 50% | Accrual only |
4. Non operating cost
   - Other Post Employment Benefits | $1,287,721 | $643,861 | 50% | Accrual only |
   - Depreciation (CAPx and CAPm) | $11,392,541 | $5,696,270 | 50% | Accrual only |
5. Annual Surplus (Deficit)
   - Operating Surplus (Deficit) | $6,151,772 | $6,184,204 | | |
   - Non operating cost | ($6,528,491) | ($155,927) | | |
The following is an overview of the financial activities of the Hudson River Park Trust for the six-month periods ended September 30, 2017.

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

**Statement of net position:**

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

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

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

**Statement of cash Reserve:**

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

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

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

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

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

The status of new construction expenditures versus budget are presented on the table below. All projects are expected to be underway with significant expenditures before the end of the current fiscal year.
<table>
<thead>
<tr>
<th>Contract Balance as of 4/1/17</th>
<th>Location</th>
<th>Contract #</th>
<th>Contract Name</th>
<th>Contract Amount</th>
<th>Allocated amount for multiyear projects</th>
<th>Description</th>
<th>Category</th>
<th>Division</th>
<th>Funding Source</th>
<th>TOTAL PUBLISHED BUDGET</th>
<th>Actual Spend</th>
<th>Budget Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PW Signage Installation</td>
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<td>New Contract</td>
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<td>For Pier Park Construction</td>
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<td>For CMAQ Marine Platform</td>
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<td>For WWII Marine Platform</td>
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<td>For WWII Marine Utilities</td>
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<td>CMAQ (Construction)</td>
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