



AUDIT COMMITTEE MEETING
June 20, 2024 at 9:00 AM

Pier 40, 353 West Street
Room 201 - Administration
Conference room
New York, NY 10014

MINUTES

Attendees

Directors: I.D. Aruede, Jeffrey LeFrancois, Antonia Pereira (NYSDEC Designee), Michael Kuh (Jeffrey Kaplan also participated via ZOOM but did not count towards quorum)

Staff: Kimberly Quinones, Sikander Zuberi, Noreen Doyle Christine Fazio

Auditor: Rob Williams and Jeff Jones of EFPR (via ZOOM)

Kimberly Quinones introduced the meeting stating that the only agenda item was to review the draft FY 2024 Financial Audit as prepared by the Trust's outside auditors, EFPR Group. She then introduced Rob Williams and Jeff Jones and they proceeded to summarize the draft audit, using the handout attached hereto.

EFPR began that the financial statements and auditors' report had been reviewed by Trust management and that EFPR was providing an unmodified (or a "clean") opinion on the Trust's financial statements: there were no material weaknesses or significant deficiencies noted in the Trust's internal controls over financial reporting or with the Trust's compliance with laws, rules, grant agreements or contracts that would affect the financial statements. The Trust's investments comply with New York State regulations.

The Auditors then provided an overview of the Trust's net position and total liabilities and assets for FY 2024. The Auditors also addressed that two of the leases from last year's audit are now subject to GASB Statement No. 94.

The Directors asked a number of questions regarding the Trust's operating revenue

and the effect of GASB 87 and 94, the status of the Trust's investments and next steps. Trust staff explained that Schedules 1 through 4 in the draft audit are more similar to the Trust's budget reviewed in March (essentially include money in and money out as opposed to the longer-term accounting analysis related to GASB 87 and 94). Ms. Quinones explained that the Auditors would finalize the audit and it would be shared with the Authorities Budget Office and posted on the Trust's website and thus would be available to the public by the end of the month. The Directors were pleased to learn that no management letter was required, as has been the case for over 10 years.

Upon a properly called motion, the Audit Committee members unanimously adopted the following resolution:

RESOLVED, based on the draft Independent Auditors Report and Financial Statements for March 31, 2024 as shared with the Audit Committee at its meeting of June 20, 2024, the Committee hereby accepts the Audit Report for FY 2024 and authorizes the Trust to proceed with filing such final Audit Report in accordance with New York State requirements.

The meeting adjourned at 9:42 am.

HUDSON RIVER PARK TRUST BOARD SUMMARY

March 31, 2024

- Financial Statements and Auditors' Reports were reviewed by the Trust's management.
- Unmodified (i.e. unqualified or "clean") opinion to be issued on the Trust's financial statements.
- No material weaknesses or significant deficiencies were noted in the Trust's internal controls over financial reporting or in the Trust's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.
- The Trust complied in all material respects with Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York.
- During the year ended March 31, 2024, the Trust adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 94 - "Public-Private and Public-Public Partnerships and Availability Payment Arrangements."
- Reclassifications have been made to certain balances as of March 31, 2023 to conform with the presentation and implementation of GASB Statement No. 94.
- Net position increased \$54,284,356 to a total of \$1,039,622,774 as of March 31, 2024.
- Total assets amounted to \$1,452,255,995 at March 31, 2024, representing a 5% increase from the prior year. The increase was mainly a result of the Trust entering into new lease agreements and an increase in capital assets.
- Total liabilities amounted to \$45,136,056 at March 31, 2024, representing a 1% increase from the prior year. The increase was mainly a result of changes in the actuarial assumptions for the Trust's OPEB and pension liabilities, offset by a decrease in accounts payable.
- Total deferred inflows of resources amounted to \$371,154,087 at March 31, 2024, representing a 5% increase from the prior year. The increase was mainly a result of the Trust entering into new lease agreements during the year.
- Total revenue amounted to \$105,199,724 during the year ended March 31, 2024, representing a 2% decrease from the prior year. The decrease is mainly a result of a decrease in appropriations revenue, offset by two one-time payments received in the current year.
- Total expenses amounted to \$50,915,368 during the year ended March 31, 2024, representing a 15% increase from the prior year. The increase is mainly a result of the actuarial assumptions related the pension system causing the Trust to have a liability in the current year.

- The following summarizes the changes in the Statements of Net Position:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets:			
Cash and equivalents	\$ 56,355,762	55,758,137	597,625
Accounts receivable	5,468,012	3,890,964	1,577,048
Prepaid expenses	4,221,629	2,054,927	2,166,702
Investments	162,528,894	164,877,478	(2,348,584)
Leases receivable - GASB 87	73,171,143	42,178,795	30,992,348
Public-private partnerships receivable - GASB 94	329,104,141	329,104,141	-
Interest receivable - GASB 94	21,842,954	15,393,069	6,449,885
Net pension asset - proportionate share - ERS	-	1,777,910	(1,777,910)
Construction in progress	65,408,985	121,185,343	(55,776,358)
Depreciable capital assets, net	<u>734,154,475</u>	<u>642,654,896</u>	<u>91,499,579</u>
Total assets	<u>1,452,255,995</u>	<u>1,378,875,660</u>	<u>73,380,335</u>
Deferred outflows of resources - pensions - ERS	<u>3,656,922</u>	<u>3,875,073</u>	<u>(218,151)</u>
Liabilities:			
Accounts payable	8,475,325	14,773,322	(6,297,997)
Accrued expenses	8,294,530	7,222,851	1,071,679
Net pension liability - proportionate share - ERS	4,769,911	-	4,769,911
Other postemployment benefits obligation	<u>23,596,290</u>	<u>23,090,540</u>	<u>505,750</u>
Total liabilities	<u>45,136,056</u>	<u>45,086,713</u>	<u>49,343</u>
Deferred inflows of resources:			
Pensions - ERS	397,675	6,266,428	(5,868,753)
Unearned revenue	597,728	558,021	39,707
Lease rents - GASB 87	59,279,593	29,391,437	29,888,156
Public-private partnerships - GASB 94	<u>310,880,091</u>	<u>316,109,686</u>	<u>(5,229,595)</u>
Total deferred inflows of resources	<u>371,155,087</u>	<u>352,325,572</u>	<u>18,829,515</u>
Contingencies (note 11)			
Net position:			
Net investment in capital assets	799,563,460	763,840,239	35,723,221
Restricted for capital expenditures	70,361,383	90,737,461	(20,376,078)
Unrestricted	<u>169,697,931</u>	<u>130,760,718</u>	<u>38,937,213</u>
Total net position	<u>\$ 1,039,622,774</u>	<u>985,338,418</u>	<u>54,284,356</u>

- The following summarizes the changes in the Statements of Revenue, Expenses and Changes in Net Position:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
General operating revenue:			
Lease revenue	\$ 33,405,958	22,971,136	10,434,822
Parking revenue	11,642,494	10,431,318	1,211,176
Fees and other revenue	<u>10,869,984</u>	<u>1,961,640</u>	<u>8,908,344</u>
Total general operating revenue	<u>55,918,436</u>	<u>35,364,094</u>	<u>20,554,342</u>
General operating expenses:			
Employee compensation and benefits	12,129,940	10,945,508	1,184,432
Park programs and maintenance	12,467,177	10,274,901	2,192,276
General and administrative	<u>7,808,495</u>	<u>7,075,057</u>	<u>733,438</u>
Total general operating expenses	<u>32,405,612</u>	<u>28,295,466</u>	<u>4,110,146</u>
Total general operating income	<u>23,512,824</u>	<u>7,068,628</u>	<u>16,444,196</u>
Other operating revenue (expenses):			
Lease revenue - GASB 87	4,584,314	3,469,593	1,114,721
Public-private partnerships - GASB 94	7,493,955	7,161,641	332,314
Other postemployment benefits and pensions - GASB 68 and 75	<u>(1,402,969)</u>	<u>9,863,884</u>	<u>(11,266,853)</u>
Total other income	<u>10,675,300</u>	<u>20,495,118</u>	<u>(9,819,818)</u>
Operating income	<u>34,188,124</u>	<u>27,563,746</u>	<u>6,624,378</u>
Non-operating revenue:			
Appropriations revenue	24,122,308	42,423,189	(18,300,881)
Air rights	-	1,000,000	(1,000,000)
Reimbursement	2,103,055	1,966,388	136,667
Settlements and grants	157,972	626,875	(468,903)
Contributions	2,108,468	1,763,886	344,582
Realized gain on investments	7,491,165	3,863,673	3,627,492
Unrealized gain on investments	<u>1,220,051</u>	<u>3,047</u>	<u>1,217,004</u>
Total non-operating revenue	<u>37,203,019</u>	<u>51,647,058</u>	<u>(14,444,039)</u>
Non-operating expense - depreciation and amortization	<u>17,106,787</u>	<u>16,156,813</u>	<u>949,974</u>
Total non-operating income	<u>20,096,232</u>	<u>35,490,245</u>	<u>(15,394,013)</u>
Change in net position	54,284,356	63,053,991	(8,769,635)
Net position at beginning of year	<u>985,338,418</u>	<u>922,284,427</u>	<u>63,053,991</u>
Net position at end of year	<u>\$ 1,039,622,774</u>	<u>985,338,418</u>	<u>54,284,356</u>