Hudson River Park Trust
INTERNAL CONTROLS SUMMARY
For Fiscal Year Ending March 31, 2026

1. Establish and maintain guidelines for a system of internal controls.

The Hudson River Park Trust ("Trust") endorses the practice of strong internal controls. Components of the system include: (1) commitment to integrity and ethical values, (2) separation of roles to the degree possible given the Trust's small staff, (3) establishing clear structure, authority, lines of responsibility and adherence to laws, regulations, contracts and management directives, (4) demonstrating a commitment to competent, economical and efficient operations, (5) safeguarding resources against loss due to waste, abuse, mismanagement, errors and fraud, and (6) establishing a culture in which communication can occur across all staff levels.

The Hudson River Park Act ("Act") provides all Trust employees and Board members with clear guidance and direction regarding their duties and scope. First and foremost, this includes the Trust's obligations to the general public and Park patrons to design, build, operate and maintain the Park as a public asset in accordance with the Act's principles and requirements. The Trust has established internal controls with the Act and its many requirements in mind.

The Trust's practices related to internal controls are distributed throughout the organization, with the Board and numerous staff members holding responsibilities in this realm.

The Trust's Board is actively involved in guiding the Park's vision and in ensuring that the organization satisfies its fiduciary and other obligations to the public. Each year, the Board confirms the Trust's mission statement and performance measurements in the following areas:

- Plan and Design the Park
- Construct the Park
- Operate and Maintain the Park
- Provide Free and/or Low Cost Public Recreational, Educational and Cultural Opportunities
- Promote Environmental Stewardship and Enhance the Estuarine Sanctuary
- Establish an Estuarine Sanctuary Management Plan
- Promote Economic Development and Tourism in the State of New York
- Operate on a Model of Economic Self-Sufficiency

In addition, the Board also reviews and approves budgets, corporate employee policies, employee handbook, investment guidelines, all contracts of $200,000 and greater value or with a term of over one year, and procurement policies. It also takes a substantive role in advising staff on major property transactions, Park design, legal risk and important policy and legislative initiatives. The full Board meets at least six times a year, with formal committee meetings also occurring throughout the year. The Board's Governance Committee oversees matters related to good governance and employment, among other topics. The President has general responsibility for the conduct of the affairs of the Trust and has the power to delegate authority and assign duties to Trust staff, and to implement decisions and requests from the Board. In addition to the President, the General Counsel, Corporate Treasurer/Senior Vice President of Financial Operations & Planning, Executive Vice President for Park Management, Executive Vice President for Park Relationships and Programs, and Executive Vice President for Capital Planning, Design & Construction work closely with the Board on new initiatives, and make decisions regarding staffing, policies, programming, budgeting recommendations, and matters concerning the community. Staff makes quarterly reports of financial and contractual information available to members of the Board, State and City governments, and on its website.

The Trust has established detailed Procurement Guidelines, which govern the use, awarding, monitoring and reporting of contracts for goods or services. The Guidelines are modeled upon the New York State Procurement Guidelines, as published by the New York State Procurement Council, and are subject to the annual review and approval of the Trust's Board of Directors and reflect New York State policy and directives. The Trust's Board of Directors adopted the 2026 Procurement Guidelines at its January 22, 2026 meeting. The document outlines the types, order and preference, and process for all procurements. Collectively, these controls are designed to ensure fair and open competition, guard against fraud and corruption, and provide checks and balances within procurement activities, while protecting the interests and minimizing risk to the Trust, as well as New York State and City and their taxpayers. Recent updates aligned the Guidelines with new State laws and policies regarding discretionary and MWBE purchases. Trainings on Procurement Guidelines and procedures are provided to relevant staff members one or more times each year.

Unlike most State agencies, the Trust has a statutory requirement to be self-funding on an operating basis and therefore is directed to generate its own revenue. To ensure proper controls, the Trust maintains Guidelines for Revenue-Generating Contracts to memorialize policies and procedures for revenue-generating contracts. Revenue-generating contracts do not ordinarily involve the expenditure of public funds and are thus not included in either the New York State Procurement Guidelines published by the New York State Procurement Council or in the Trust's Procurement Guidelines. The Trust has elected to provide written guidelines for awarding revenue-generating contracts to ensure that such awards are conducted in a manner consistent with the Act and other applicable statutes and regulations. The Trust's Board of Directors adopted the 2025 Revenue Guidelines at its December 4, 2025 meeting. The Recent updates to the guidelines provide greater clarity on the type of documentation required for awards, as well as additional guidance and limitations on contracts exempt from competitive procurement.

Alongside the Procurement and Revenue Guidelines, the Trust maintains a standing Delegation of Authority, which sets clear limits on which staff members are authorized to approve various levels and types of expenditures, enter into contracts or execute documents on behalf of the organization. Both the Procurement Guidelines and the Delegation of Authority are shared directly with the appropriate staff and are also reflected within the Trust's internal procurement tracking systems to ensure compliance.

The Trust is organized into departments which together function to implement and oversee the daily operational business of the planning, design, construction and operations of the Park: Executive, Legal, Finance, Human Resources, Management Systems, River Project (Environment and Education), Public Programs, Outreach & Engagement, IT, Operations, Facilities, Horticulture/Maintenance, Public Safety, Property Management/Real Estate, and Design and Construction. Department Heads have the primary responsibility for making sure that the individuals performing the work of each department have the skills and capacity to do so, and to provide their employees with appropriate supervision, monitoring and training to reasonably ensure that the Trust has the capacity to carry out its mission. The Legal and Finance Departments also conduct regular trainings on procurement policies and procedures to ensure staff engaged in procurement understand their responsibilities.

The Trust uses multiple communication systems to support its internal controls. These include weekly Executive team meetings, weekly Senior Staff meetings, department meetings, all staff meetings, group trainings, email notifications and ad hoc communications with the Trust's staff as needed. Throughout the year, the President meets with Department Heads in weekly meetings to discuss initiatives and activities and to consider these activities with regard to compliance and risk, both to the Trust itself and to the general public whom the Trust serves. Executive staff also regularly meet with Directors and Managers within their reporting areas to review projects and working operations in order to ensure alignment and compliance with Trust policies and practices. Where necessary, the Internal Controls Officer identifies areas of risk and works with other members of the Executive staff and management to improve conditions that could create compliance problems or risk.

The Trust's President has communicated the importance of internal controls standards and makes information about the Trust's mission, priorities and other initiatives known to staff members. In addition, more detailed procedural guidance materials related to procurement, staff policies, emergency response and other topics are available to all staff through the Trust's SharePoint intranet site. Training on such systems is regularly provided by the Management Systems and Legal departments. The Trust will continue to expand staff training, centralizing training materials and Trust policy documents on SharePoint in the coming year, as well as update and maintain the materials and documents already available.

2. **Establish and maintain a system of internal controls and a program of internal control review for the authority. Include a description of the process for reviewing and testing controls and monitoring corrective action plans. Also, list all high-risk activities which were reviewed during the past year, and the results of those reviews.**

Each year, the Trust retains independent, outside auditors to examine the Trust's financial statements, records and certain key controls systems. The auditor's objectives are generally: 1) to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error; and 2) to issue an auditor's report in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Among the requirements of the audit is an opinion on financial statements and an opinion on internal controls over financial reporting and compliance. The Auditor consults separately with the Audit Committee Chair and President at the commencement of the Audit process to identify any concerns or areas of potential risk. At the conclusion of the Audit process, the Auditor meets with the Audit Committee, President, Senior Vice President of Financial Operations & Planning /Treasurer, and Executive staff to review the audit results including the "Report on Internal Control Over Financial Reporting and On Compliance with Other Matters …". For FY25-26, the auditors did not identify any concerns regarding appropriate checks, balances and redundancies in place based on this review.

Within the Trust, the Legal Department monitors compliance with laws, policies, procedures, guidelines, the Act and the Trust's Corporate By-laws, while Finance Staff reviews procurements and ensures compliance with all financial controls. Further, throughout the year, Executive staff works with specific staff members to conduct and monitor various aspects of the agency's internal controls, ensuring the accurate application of the controls, as well as their alignment with performance objectives and compliance requirements. Other outside parties, such as the State Insurance Fund, State Department of Labor, City and State Comptrollers' Offices, and Mayor's Office of Contracts, may also conduct periodic reviews or audits of specific aspects of the Trust's finances in any given year.

A significant portion of the Trust's robust internal financial controls are centralized and reinforced through the use of SharePoint, in conjunction with SQL Services Reporting System (SSRS), the internally developed

Park Administrative Network for Data Analytics (PANDA) application. Trust procurement has been centralized in SharePoint and PANDA, which provide a step-by-step process for contracting, issuing purchase orders, and MWBE and SDVOB reporting and management, reinforcing compliance with the Trust's Procurement Guidelines. As noted above, this system also reflects the Trust's Delegation of Authority, ensuring that at each step, an authorized staff member has reviewed and approved the action. At any given moment, relevant staff can see the status and process of individual procurements in real time, including a record of individual actions in the approvals' chain. The SSRS creates regularly generated reports for Senior Staff members regarding active procurements and contracts, providing consistent and on-going checks of the controls. The system is reviewed several times per year to identify potential needs for refinements as well as additional areas that can be supported through centralization.

The Trust continues to regularly refine the SharePoint System to improve tracking and monitoring. In the past year the Trust introduced a new dashboard to allow for staff to easily view the status of each active contract, its history, utilization and the documents associated with it. The Trust also created a new application for tracking revenue generating contracts.

The Trust conducts procurement and SharePoint systems training sessions for involved staff throughout the year, and training documents are also distributed via email, stored centrally on the network server, and on the SharePoint Procurement Central site.

The Trust's Operation and Facilities departments utilize Cartegraph CMMS to assist with the management and upkeep of Hudson River Park. The Cartegraph system is designed to allow all staff to report conditions that require attention within the Park using either their mobile device or desktop workstation. Requested items are filtered to appropriate department supervisors in real time, where they are triaged and assigned directly to staff in the field for assessment and if needed, service or repair. Field staff are able to view the requests via mobile device, provide updates, close tasks, and create new requests or tasks as required. The system will automatically notify the requestor when the task has been completed. Data entered into the system may then be converted into reports for use by Trust staff to track inventory, schedule inspections, and determine staffing levels in order to keep the Park operating efficiently.

In addition to SharePoint and Cartegraph, the Trust uses other management tools to track and share information. For example, Executive, Legal and Finance staff meet with Department Heads and project managers in the Design and Construction, Facilities, and Operations Departments at least monthly to track progress, budgets and other milestones for capital construction and other major capital maintenance initiatives as well as to ensure proper coordination across departments.

Beyond the focus on systems, the Trust has maintained its practice of conducting an internal assessment of progress made towards the implementation of controls, addressing previously identified risks, and to consider any new risks that have emerged. Areas reviewed in the fiscal year included:

I. Funding Capital Maintenance

The Act mandates that the Hudson River Park Trust prepare an annual Financing Plan. The Financing Plan is a plain language document that provides context on how the Trust endeavors to meet and fund aspects of its legislative mandate related to both new construction and long-term maintenance of capital assets. The report provides current information, by project, on the funding sources and status for new capital construction projects to complete the Park. It also identifies key capital maintenance challenges and projects, and provides information on environmental enhancements, research and education related to the Estuarine Sanctuary. Overall, the Financing Plan provides the public with both current and forward-looking information about the Park's funding status, including challenges, opportunities and successes.

The FY 25-26 Financing Plan recognized that within the next few years, the Trust expects to need to draw on the reserves significantly for marine repairs, Pier 40 capital maintenance projects, the Pier 62 skatepark, and other projects. The Trust has worked strategically to increase revenue from tenants and other park occupants while also managing its operating budget carefully, and the Trust's recently adopted budget for Fiscal Year 2026-27 maintains a structurally balanced budget as in the FY26 year. However, as the Trust looks ahead, even with such self-discipline, current levels of self-generated income will not be sufficient to cover growing capital maintenance costs, which were not considered when the Act was passed. The Park's future success, including its ability to weather external shocks – whether from climate change, economic downturns, or other factors beyond the Trust's control-- will rely heavily on realizing additional opportunities to benefit the Park. Beyond Pier 76 and eventually also increasing revenue at Pier 40, the Trust must continue to other ways to increase revenue, whether through corporate partnerships, philanthropy, additional development rights sales, grants, and additional public funding.

II. Accounts Payable

The Trust reviewed its process for receiving and completing payments to ensure adequate controls were in place, were being followed, and were working as intended. The Trust selected a sample of completed payments, including both contracts and purchase orders from FY 2020 through FY 2026 for a thorough review. The review covered the documentation of the invoice and other supporting documents, and the accuracy of the accounting, including ensuring a three-way match between the invoice, purchase order and receiving report. The Trust also reviewed is policies and procedures to confirm protocols are in place to ensure the accuracy of payments, issuance of appropriate approvals (including the separation of duties), completion of timely payments, and accurate verification of receipt of goods and services. The review did not identify any issues, and confirmed the Trust has appropriate policies in place. The Trust's robust approvals process ensures multiple levels of review prior to payments.

III. Record Retention Process

The Trust reviewed its policies and procedures to ensure that its documentation of support payments was in alignment with the State Record Retention laws and guidance. As part of the review the Trust selected representative samples of both invoiced vouchers and Travel and Expense payments. In alignment with the New York State Archives' Record Retention requirements, all supporting documentation for payments was located promptly, maintained electronically, and organized in a manner that allows timely retrieval. As noted above, the Trust's internal process requires invoices and expense reimbursement requests to be processed electronically through SharePoint, providing prompt access to such records. The Trust also reviewed its policies and procedures to ensure that it retains payment documentation in accordance with State retention requirements. The review identified that the Trust meets, or often exceeds, the six-year requirement established by New York State.

As outlined above, the Trust makes an ongoing effort to improve its procurement documentation process through the SharePoint system and will continue to do so in the coming year.

IV. Updating Occupancy Agreements & Permits

Part of the Trust's effort to reduce its financial and legal risks entails periodic reviews of Occupancy Agreements with tenants within the Park. These agreements, whether leases or permits, secure revenue while also providing legal protections to the Trust including but not limited to specifying permissible use and operations of public space. As outlined above, the Trust updated its Guidelines for Revenue-Generating Contracts to provide additional clarity on the type of documentation required for awards, as well as additional guidance and limitations on contracts exempt from competitive procurement.

The Trust expects to continue ongoing review of its Occupancy Agreements and Permits in the coming fiscal year as vacancies and opportunities occur.

V. Utilities & Sustainability

As part of the establishment of the Park, the Trust inherited a number of legacy utilities, intertwined in some cases with other City and State properties. Impacts and recovery from Hurricane Sandy and subsequent reconstruction and changes in several tenant occupancies have also created confusion in isolated cases. Within FY26, the Trust made significant strides towards tracking, separating and working with relevant utility providers on these legacy issues, including clarifying lines, meters and accounts. Clarity about utility infrastructure will allow the Trust to better track, monitor and evaluate utility usage and locations going forward. The Trust has also sought grants to improve upon the aging building systems for facilities built during the initial stages of Park construction, such as bathroom facilities and the W 44th Street building, aiming to improve their energy and utility efficiency.

Given the Park's water-based location, it faces unique threats from flood events. For many years, as part of new construction and major capital maintenance, the Trust has been hardening infrastructure where possible and designing the Park to reduce potential damage. New buildings, such as the Pier 97 maintenance facility, have been constructed with this risk in mind.

The Trust will continue its efforts to clarify utility lines and accounts, improve efficiency and will continue to incorporate resilience into the planning for new construction and major capital maintenance within the Park.

VI. E-Bikes and Greenway

The accelerated incidence of illegal motorized electric bikes and scooters on the New York State Department of Transportation (NYSDOT) bikeway/greenway located adjacent to the Park continues to be a risk to persons entering and exiting the Park due to the enhanced speed and weights of these micro mobility vehicles in very crowded areas and to their prevalence throughout other areas of New York City including in New York City parks and streets where such electric vehicles are generally allowed. The Trust enforces on Park property as feasible, and continues to seek support from NYPD, NYSDOT and other agencies to assist with this challenge, including working with tenants and community members on appropriate safety measures and inland opportunities to accommodate the motorized vehicles.

NYSDOT has advanced the process of reevaluating the design of the portion of Route 9A adjacent to the Park, which the Trust has been actively participating, which will continue into the next fiscal year.

VII. IT Infrastructure & Security

Given the continuously evolving nature of cybersecurity threats and risk, the Trust must remain vigilant with respect to both its technology and the training provided to staff. In an acknowledgement that user error is often one of the weakest points in security efforts, the Trust performs staff training on IT security best-practices, including how to identify, avoid and report phishing attempts.

At the end of FY26, the Trust prepared for a cyber security exercise with the New York State Division of Homeland Security and Emergency Services by reviewing its policies and systems, and preparing documentation.

3. **Make available to each officer and employee a clear and concise statement of the generally applicable management policies and standards with which the officer or employee shall be expected to comply along with detailed policies and procedures the employees are expected to adhere to in completing their work.**

The Act provides clear guidance and direction to all Trust Board Members, Executive Staff and employees regarding the Trust's duties. The Trust's Board is provided information on their individual ethical requirements and legal duties and undergoes training on the same. The Trust maintains an Employee Handbook that is distributed to each employee; the Handbook outlines Trust policies and procedures, as well as employee requirements, expectations, and rights.

The Trust also provides ongoing access to employee guides and procedure documents to all staff on SharePoint. The Trust Executive Staff and Department Heads communicate with staff throughout the year on financial, ethical, and other duties and requirements. The Legal and Human Resources departments share information about ethics and other requirements with all staff members annually and as changes occur.

4. **Designate an Internal Control Officer (ICO), who shall report to the head of the authority or to their designee within the executive office, to implement and review the internal control responsibilities established pursuant to this Item. The designation of the ICO should be communicated to all employees.**

The Trust's Executive Vice President of Park Relationships and Programs has been designated as the Internal Control Officer. This individual has broad involvement in Trust operations and reports to the President/CEO and attends Trust Board meetings.

5. **Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.**

At the Trust, training in internal controls occurs at both the departmental and "all staff" levels. Department Heads, in consultation with Human Resources, regularly assess their department's training needs based on the specific functions and levels of risks identified. For example, supervisors in the Operations & Maintenance Department identify relevant OSHA training for staff members who work in the field where the risk of injury is greater than for those at desk jobs. Training in the legal area might include new ethical requirements or opinions, contracting requirements or Executive Orders. The Senior Vice President of Financial Operations & Planning/Corporate Treasurer receives and disseminates information from the State and City Comptrollers' offices and Budget Departments and participates in required agency trainings.

Further, the Trust disseminates information and conducts periodic training for all staff on New York State Ethics Requirements, Workplace Behavior, EEO requirements, Vehicle and Electronic Communications policies, cybersecurity, and workplace culture.

6. Periodically evaluate the need to establish, maintain or modify an internal audit (IA) function.

The Trust is a small organization and does not require this function. The Trust is already required to have an annual audit conducted by external auditors. Recommendations made by the external auditors are then incorporated into the Trust's processes.

Dated: June 30, 2026

Prepared By:

____

Robert Atterbury
Executive Vice President
Park Relationships and Programs

Accepted and Approved By:

____

Noreen Doyle
President & CEO