(A Component Unit of the City of Albany, New York)

Financial Report

December 31, 2022 and 2021

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

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C O N T E N T S

Independent Auditor's Report

Board of Directors
Albany Parking Authority
Albany, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Albany Parking Authority (Authority), a component unit of the City of Albany, New York, as of and for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1I to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases.* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the information listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules of revenues and expenses by operating department and capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues and expenses by operating department and capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
March 24, 2023

Management's Discussion and Analysis
December 31, 2022 and 2021

The Albany Parking Authority (Authority) is pleased to present its Financial Report for the years ended December 31, 2022 and 2021. We encourage readers to consider the information on pages 16 to 34 in conjunction with the Authority's financial statements and supplementary information (presented on pages 35 to 40) to enhance their understanding of the Authority's financial performance.

RESPONSIBILITY AND CONTROLS

The Authority has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on the recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Authority's system of internal accounting controls is evaluated on an ongoing basis by the Authority's internal financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Authority's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

AUDIT ASSURANCE

The unmodified (i.e., clean) opinion of our independent external auditors, BST & Co. CPAs, LLP, is included on pages 1 to 3 of this report.

FINANCIAL HIGHLIGHTS

- Garage occupancy increased by 13 parkers since December 31, 2021, primarily due to increases in individual monthly pass holders. Occupancy is currently 110% at Riverfront Garage, 111% at Greenhudson Garage and 43% at Quackenbush Garage.
- The Authority reported a net position of $524,442, comprising of $16.5 million in total assets and $3.9 million in deferred outflows, less $15.2 million in total liabilities and $4.7 million in deferred inflow.
- The Authority's activities had total revenues of $9.2 million, which exceed total expenses of $8.8 million for a net income of $375 thousand.
- The Authority continues to maintain a compliant debt coverage ratio, with a 1.71 ratio in 2022.
- The total bond debt outstanding at year-end was $5.6 million, comprising of $5.0 million in principal outstanding and $551 thousand in interest outstanding. Current bond obligations are set to expire in 2025.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Authority report information about the Authority's operations using accounting methods which are similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The statement of net position includes all of the Authority's assets, liabilities, and deferred outflows and inflows of resources, and provides information about the nature and amounts of investments in resources (assets) and obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its parking garage and meter fees.

The final required financial statement is its statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operating, investing, and financing activities, and the change in cash and cash equivalents during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

SUMMARY OF ORGANIZATION AND BUSINESS

The Authority was established in 1983 as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York by the Albany Parking Authority Act (the enabling act). The Act, as amended by Chapter 244 of the Laws of 2021, authorizes the Authority to construct, operate, and maintain parking facilities in the City of Albany (City) and to issue bonds and notes for the purpose of acquiring, constructing, reconstructing and repairing property related to its operations, including property proximate to parking facilities and property that facilitates increased supply or demand for parking. Pursuant to Chapter 244 of the Laws of 2021, the aggregate outstanding principal amount of bonds issued by the Authority may not exceed $75 million at any one time.

The Authority Board of Directors is composed of a chairperson and four other members appointed by the Mayor of the City with the advice and consent of the City Common Council. The members serve until reappointed or replaced at the pleasure of the Mayor. The Authority has a budgeted staff of 54, of which 49 are full-time positions and 5 are part-time positions (less than 30 hours a week).

The Authority generates income from on-street parking meters, 3 parking garages, and 9 surface lots located along Central Avenue and Montgomery Street. Although the Authority does not receive State or federal subsidies, the Authority is eligible to apply for and receive grant monies. Previously, the Authority has been awarded grant monies to conduct feasibility studies and complete construction projects. In 2022 the Authority completed a state grant from the NYS DRI to enhance Quackenbush Square. In addition, the Authority was awarded ARPA funds from the City of Albany to improve public safety in the Central Ave and Quackenbush lots which is expected to be completed in 2023.

SUMMARY OF ORGANIZATION AND BUSINESS - CONTINUED

The on-street parking meter system is authorized by the City under a licensing agreement which permits the Authority to install and operate parking meters for an annual licensing fee. The licensing agreement also designates enforcement of on-street parking violations as a function of the Authority, but retains that salaries and costs related to enforcement operations are reimbursable to the Authority. Further, all revenue from fines and penalties related to violations remain the property of the City.

The Authority manages over 2,000 metered parking spaces using single-space and multi-space meters, which accept payment by cash or coin, credit card or payment through the on-street parking phone app. Metered parking spaces are structured into different zones with various rates tailored to improve and maximize curb access, promote turnover and increase parking availability. Meter regulations are in effect on non-holidays, Monday – Friday.

The three parking garages operated by the Authority provide 2,557 parking spaces, including of 53 handicap or ADA accessible spaces and 19 EV charging spaces. Garage revenue is generated from daily customers that pay by hour for parking services, monthly customers that pay a monthly rate for 24/7 access and special event pricing. The Authority is dedicated to making sure all garages are open for use on a 24/7 basis and all three garages met that goal in 2022.

In total, the Authority manages 9 surface parking lots in downtown Albany that provide 357 parking spaces including 18 handicap or ADA accessible spaces. Surface parking lot revenue is generated from daily customers that pay by hour for parking services Monday through Saturday and monthly customer that pay a monthly rate for 24/7 or daytime access.

In its mission, the Authority is dedicated to helping to sustain and create economic development opportunities through parking for the City of Albany. To this end, the Authority continues efforts to make business and residential living feasible in downtown Albany by providing adequate parking options and promoting events occurring in the area.

GENERAL AUTHORITY INFORMATION

Selected Data (parking revenue only):

	Average Monthly Revenue			
Parking Facilities	2022	2021	Difference	% Change
Riverfront	$ 103,821	$ 96,221	$ 7,600	7.90%
Green-Hudson	126,140	105,349	20,791	19.74%
Quackenbush	62,097	46,337	15,760	34.01%
Parking Meters	201,633	168,137	33,496	19.92%
Q Lots and C Lots	16,398	13,091	3,307	25.26%

FINANCIAL ANALYSIS

The following comparative condensed financial statements and other selected information provide key financial data and indicators for management, monitoring, and planning:

	December 31,				
	2022	2022 vs. 2021	(As Restated) 2021	2021 vs. 2020	2020
Current assets and investments	$ 4,575,098	5.5%	$ 4,336,877	22.4%	$ 3,544,067
Noncurrent assets, net	11,926,175	1.8%	11,710,415	-6.1%	12,476,241
Total assets	16,501,273	2.8%	16,047,292	0.2%	16,020,308
Deferred outflows of resources, net	3,883,088	-15.7%	4,608,099	29.7%	3,552,131
Current liabilities	2,246,631	11.3%	2,018,678	4.2%	1,937,898
Long-term liabilities	13,054,181	-2.1%	13,328,599	-22.2%	17,131,991
Total liabilities	15,300,812	-0.3%	15,347,277	-19.5%	19,069,889
Deferred inflows of resources	4,692,896	-9.0%	5,158,654	410.2%	1,011,195
Net position, capital	5,376,837	-4.2%	5,612,534	0.8%	5,569,586
Net position, restricted	354,494	-24.9%	472,149	16.5%	405,107
Net position, unrestricted	(5,340,678)	-10.0%	(5,935,223)	-8.5%	(6,483,338)
Net position	**$ 390,653**	**161.4%**	**$ 149,460**	**-129.4%**	**$ (508,645)**

	Years Ended December 31,				
	2022	2022 vs. 2021	2021	2021 vs. 2020	2020
Operating revenue	$ 9,162,424	37.0%	$ 6,690,010	5.3%	$6,351,705
Nonoperating revenue	24,447	1079.3%	2,073	-84.0%	12,917
Total revenues	9,186,871	37.3%	6,692,083	5.1%	6,364,622
Depreciation expense	1,056,058	-1.4%	1,071,468	-8.9%	1,176,322
Amortization expense	48,049	0.0%	48,048	0.0%	48,048
Other operating expenses	7,515,842	62.8%	4,617,046	-20.5%	5,808,435
Nonoperating expense	325,729	9.5%	297,416	-17.8%	361,739
Total expenses	8,945,678	48.3%	6,033,978	-18.4%	7,394,544
Change in net position	**241,193**		**658,105**		**(1,029,922)**
NET POSITION, *beginning of year*	149,460		(508,645)		521,277
NET POSITION, *end of year*	**$ 390,653**		**$ 149,460**		**$ (508,645)**

GENERAL TRENDS AND SIGNIFICANT EVENTS

The COVID-19 public health crisis continues to have a causal impact on revenue. All revenue streams experienced significant recovery in spring, summer, and fall months, however, began to decline at the onset of the Omicron variant which delayed the full-time return to offices. In 2021, the Albany Parking Authority awarded a contract for the installation of new exit and entry equipment for all three garages. The new equipment will enhance the ability to develop targeted business strategies, improve customer experience, expand special event revenue, and improve reporting and analytical capabilities. The new exit and entry equipment was installed and is operational as of third quarter 2022.

The Authority has advanced a number of marketing efforts to accelerate downtown economic development in the City, including marketing specialized monthly passes for co-working spaces, restaurants, and residents. Further, the Authority continues to promote activities and events occurring in the Downtown area to improve awareness and advertise Authority operated facilities.

GENERAL TRENDS AND SIGNIFICANT EVENTS - CONTINUED

Lastly, the Skyway Park, which is located adjacent to Quackenbush Garage and Quackenbush Lot, has been completed and is expected to open in late spring of 2022. The Skyway Park, in addition to the Quackenbush Square project, opened in 2022, and has begun to transform the area into an activity hub, connecting visitors to art, music, entertainment venues, local restaurants, businesses and the Albany waterfront. The Skyway Park is anticipated to draw 100,000 visitors annually which will likely correlate to increases in daily and special event customers at Quackenbush Garage and Quackenbush lot. In addition, a new hotel is scheduled to be open in 2023 adjacent to Quackenbush Square and the Quackenbush Garage and a contract to provide parking to the new hotel was signed by the APA in first quarter 2022.

FINANCIAL CONDITION

Compared to 2021, parking revenues increased by $1 million in 2022. Revenue improvements were primarily due to increases in daily garage and lot revenue, meter revenue and special event revenue. Monthly pass revenue decreased from 2020, due to cancellations that occurred in late 2020 and early 2021. However, despite the continuation of the COVID-19 public health crisis and the ensuing Omicron variant, monthly pass revenue experienced positive revenue growth for 7 consecutive months between June and December of 2021.

Expenses totaled $8.5 million, increasing compared to $5.7 million in 2021. The increase in operating costs was primarily due to $1.6 million in project cost incurred on behalf of the City of Albany. The Authority received $1.4 million in cost reimbursements and a state grant to fund these project costs. The Authority also saw a $303 thousand increase in salaries and benefits and $325 thousand increase in repairs and maintenance.

The meter licensing fee, which is subordinate to debt service payments, has been suspended since March 2020. The suspension of the meter licensing fee will continue until revenues and cash flow can support reinstatement which is expected to start in 2023 contingent on financial recovery.

The 2018 bonds issued along with the 2011 issue will be fully retired in 2025.

RESULTS OF OPERATIONS

Revenue

Total revenue, excluding state operating grants and enforcement and project cost reimbursements, was $6,165,019, compared to $5,151,695 in 2021. Monthly parking revenue increased by $214,937. However, all other operating revenue experienced year-over-year increases. Daily garage and lot revenue increased by $201,571; meter revenue increased by $407,336; and special event revenue increased by $206,957.

Expenses

Total operating expenses for 2022, excluding depreciation, bond issue costs, amortization, uncollectible accounts, and interest, was $7.4 million compared to $4.6 million in 2021, an increase of $2.8 million. Of these expenses $3.0 million were reimbursable by the City under the enforcement management agreement and project cost agreement, and a state grant; in 2022 the City parking enforcement reimbursement totaled $1.6 million, a $100 thousand increase. The meter licensing fee, which totaled $162,867 in 2020, was suspended for all of 2021 and 2022, resulting in no payment to the City.

LONG-TERM OBLIGATIONS

As of December 31, 2022, the Authority had $5,025,000 outstanding related to refunding bonds issued during 2011 and 2018.

In addition, the Authority has approximately $812,000 in purchase finance agreements that were issued to pay for multi-space and single space parking meters. These obligations will be fully repaid in 2026.

More detailed information about the Authority's long-term obligations is presented in the Notes to the Financial Statements on pages 22 through 24.

FINAL COMMENTS

The Authority periodically is requested by institutional or commercial interests to review options for expansion of the parking system. The Trust Indenture requires such expansion to be financially feasible and to have no material effect on the Authority's ability to make current debt payments. The Authority closely monitors downtown parking inventory and parking demand among other factors in determining feasibility of additional facilities.

Under terms of the Trust Indenture, the Authority has agreed to adopt rates which shall be sufficient to produce net revenue for each fiscal year: (i) to pay Authority expenses; (ii) to pay debt service on outstanding parking system obligations; and (iii) to produce a debt service coverage ratio of 1.50 to 1 in each fiscal year.

To prevent neglect of maintenance and deterioration of Authority facilities over time, the 2001 bond issue provided a requirement for a Renewal and Replacement Reserve Fund to be held by the Trustee. The amount required is equal to $50,000 for each structured parking facility, payable annually into the fund. As of year-end, the fund balance was $354,493.

Given the current public policy debate regarding state benefits, the Authority is carefully reviewing past practice and policies related to this area. Each Authority employee receives the New York State defined benefit program based upon their tier and New York State definitions and is required to be a member of the New York State retirement system. Regarding health insurance, current employees determine their needs and contribute based on no coverage, single coverage, coverage for 2 qualified individuals, or a family plan. In order to carry these benefits into retirement, the employee must be retired from the NYS Retirement System and have 10 years of continuous employment with the Authority upon retirement. The retiree then continues to provide their contribution on the same terms and conditions as during their final year of employment. When the Authority retiree passes, no health insurance coverage remains for any surviving members, even if they were previously covered under the health insurance plan.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGER

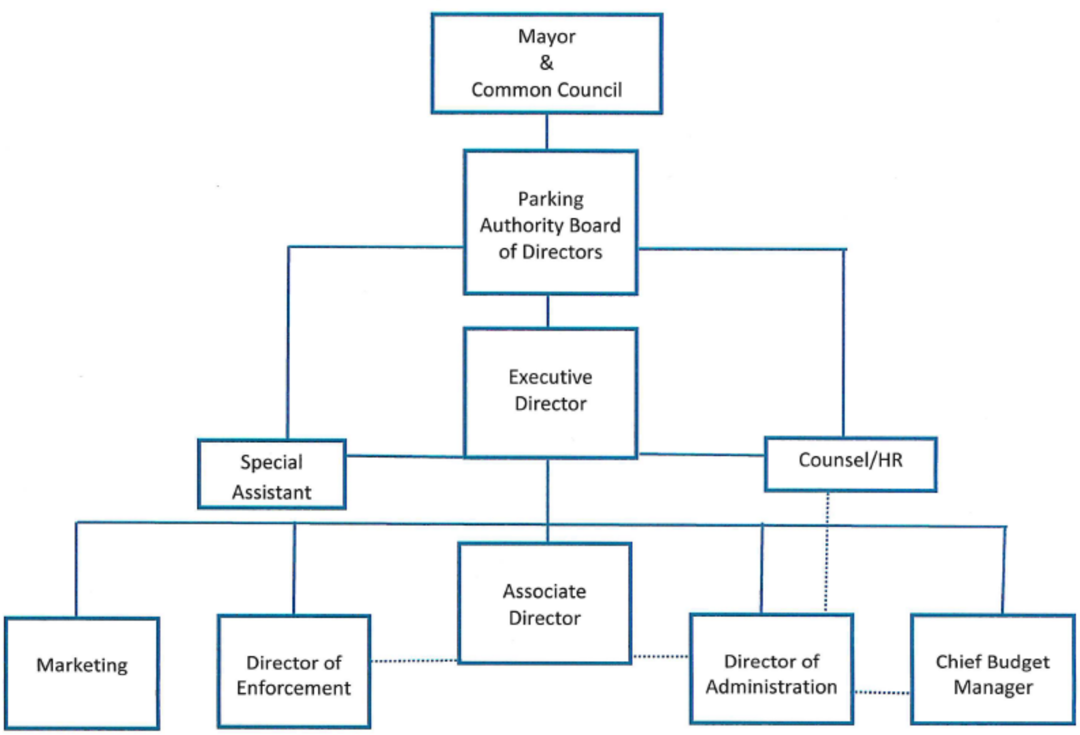
This financial report is intended to provide a general overview of the Authority's financial position and to illustrate the Authority's accountability for the revenue it receives. If you have any questions about this report or need additional financial information, contact the Director of Administration, Albany Parking Authority, P.O. Box 799, Albany, New York 12201-0799, or on the internet at www.parkalbany.com.

PRINCIPAL OFFICIALS

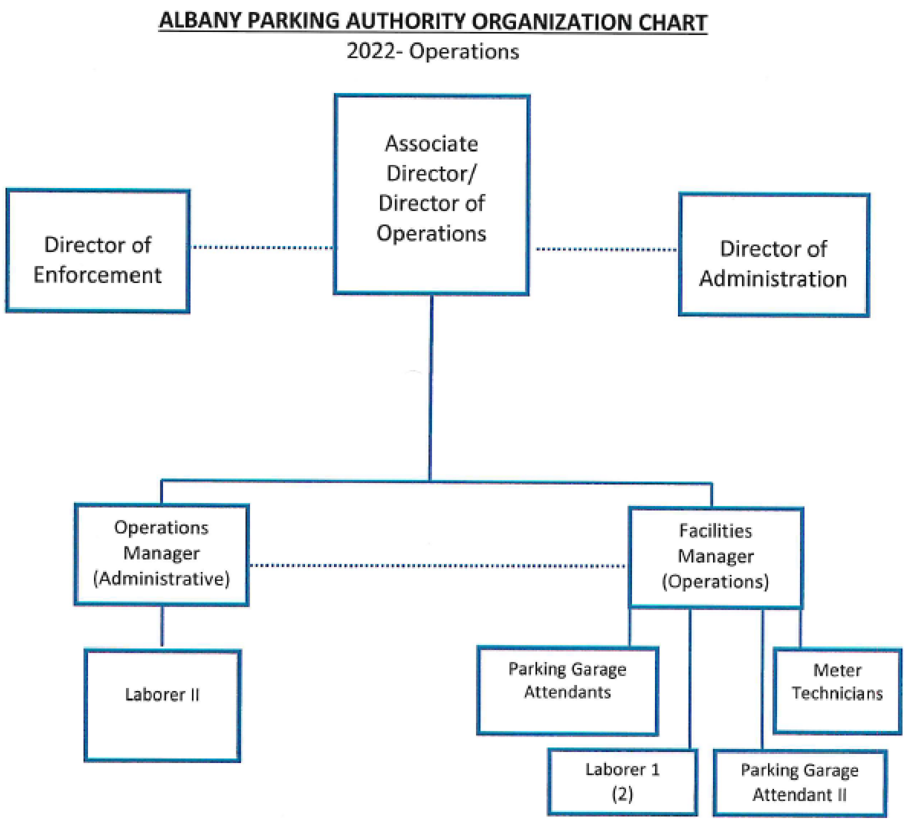
The Authority's Board of Directors, appointed by the Mayor with consent of the Common Council, is as follows:

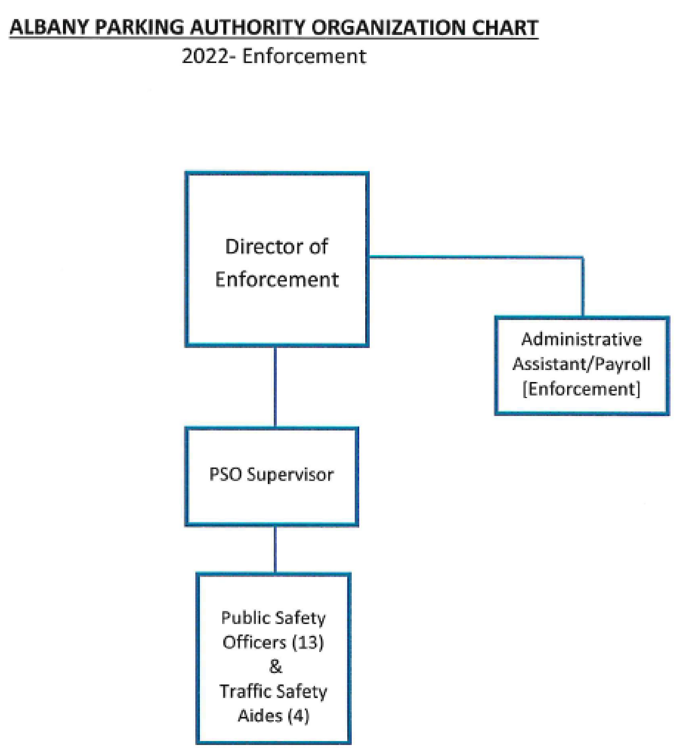
Name	Board Office	Term Expiration
Jeff Sperry	Chair	January 2, 2026
Christopher Burke	Vice Chair	January 2, 2024
Jordine Jones	Secretary	January 2, 2025
William O. Pettit, III	Treasurer	January 2, 2027
Jennifer Ceponis	Asst. Secretary/Treasurer	January 2, 2023

ALBANY PARKING AUTHORITY ORGANIZATION CHART
2022

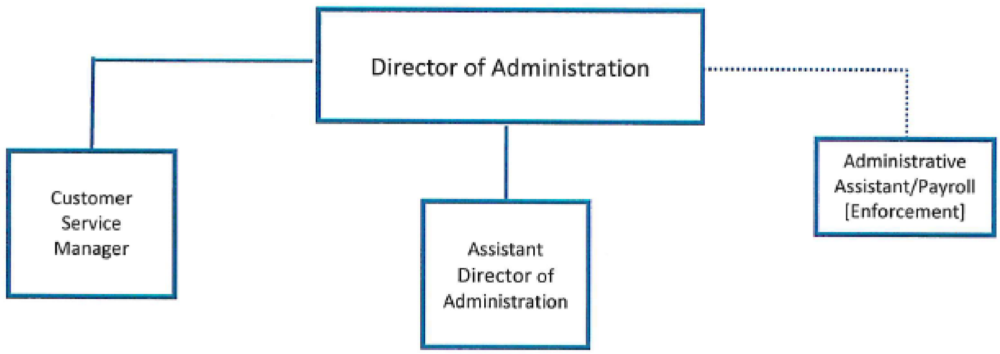


PRINCIPAL OFFICIALS - CONTINUED





ALBANY PARKING AUTHORITY ORGANIZATION CHART
2022- Administration



Albany Parking Authority

(A Component Unit of the City of Albany, New York)

Statements of Net Position

	December 31, 2022	December 31, 2021 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,463,411	$ 2,421,181
Cash and cash equivalents, restricted	1,180,269	1,289,937
Investments	-	150,405
Parking revenues receivable, net	45,164	62,942
Lease receivable	114,462	111,105
Due from the City of Albany, New York	863,914	253,994
Due from New York State	866,052	-
Prepaid expenses and other	41,826	47,313
Total current assets	4,575,098	4,336,877
NON-CURRENT ASSETS		
Lease receivable, less current portion	58,522	172,984
Net pension asset	623,352	-
Capital assets, not being depreciated	3,774,681	3,774,681
Capital assets, net of accumulated depreciation	7,469,620	7,762,750
Total non-current assets	11,926,175	11,710,415
Total assets	16,501,273	16,047,292
DEFERRED OUTFLOWS OF RESOURCES	3,883,088	4,608,099
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	412,355	140,880
Accrued interest	116,684	148,374
Unearned parking revenues	90,115	92,844
Current maturities of long-term debt	1,355,000	1,365,000
Current installments of purchase finance agreements	222,474	221,577
Current portion of accrued postemployment health benefits	50,003	50,003
Total current liabilities	2,246,631	2,018,678
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	3,846,101	5,270,388
Purchase finance agreements, less current installments	589,829	171,108
Accrued postemployment health benefits, less current maturities	8,618,251	7,879,829
Net pension liability	-	7,274
Total non-current liabilities	13,054,181	13,328,599
Total liabilities	15,300,812	15,347,277
DEFERRED INFLOWS OF RESOURCES	4,692,896	5,158,654
NET POSITION		
Net investment in capital assets	5,376,837	5,612,534
Restricted	354,494	472,149
Unrestricted deficit	(5,340,678)	(5,935,223)
TOTAL NET POSITION	**$ 390,653**	**$ 149,460**

See accompanying Notes to Financial Statements.

Albany Parking Authority

(A Component Unit of the City of Albany, New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2022	**2021**
OPERATING REVENUES		
Parking revenues	$ 6,121,072	$ 5,149,622
Reimbursement from the City of Albany, New York		
Parking enforcement	1,641,821	1,529,425
Project cost reimbursement	510,494	-
State operating grant	889,037	10,963
	9,162,424	6,690,010
OPERATING EXPENSES		
Salaries and benefits expense	3,584,027	3,281,474
Repairs and maintenance	824,650	373,024
Utilities	93,133	67,731
Professional fees	107,699	73,373
Depreciation	1,056,058	1,071,468
Meter supplies and equipment	38,033	18,993
Bad debt	26,077	-
Insurance	192,724	117,613
Computerization	312,008	211,754
Credit card fees	231,645	171,942
Project costs	1,595,214	28,323
Miscellaneous	510,632	272,819
	8,571,900	5,688,514
Operating income	**590,524**	**1,001,496**
NONOPERATING REVENUE (EXPENSES)		
Interest income	24,447	2,073
Amortization of bond insurance premiums and deferred losses	(48,049)	(48,048)
Other income (expense)	(85,109)	820
Interest expense	(240,620)	(298,236)
Total nonoperating revenue (expenses)	(349,331)	(343,391)
Change in net position	**241,193**	**658,105**
NET POSITION, ***beginning of year***	149,460	(508,645)
NET POSITION, ***end of year***	**$ 390,653**	**$ 149,460**

See accompanying Notes to Financial Statements.

Albany Parking Authority

(A Component Unit of the City of Albany, New York)

Statements of Cash Flows

	Years Ended December 31, 2022	2021 (Restated)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	$ 6,136,121	$5,120,531
Cash received from City of Albany, New York	1,542,395	1,697,371
Cash received from state operating grant	22,985	10,963
Cash paid to suppliers and other vendors	(3,654,853)	(1,416,197)
Cash paid for salaries, payroll taxes, and employee benefits	(3,153,922)	(2,849,193)
	892,726	**2,563,475**
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Interest income	24,447	2,073
Proceeds from sale of investments	150,405	152,845
	174,852	**154,918**
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(868,141)	(132,658)
Proceeds from sale of capital assets	20,104	820
Proceeds from purchase finance agreements	795,344	172,656
Payments of long-term debt and purchase finance agreements	(1,810,013)	(1,422,452)
Interest paid	(272,310)	(396,313)
	(2,135,016)	**(1,777,947)**
Net increase (decrease) in cash and cash equivalents	**(1,067,438)**	**940,446**
CASH AND CASH EQUIVALENTS, *beginning of year*	3,711,118	2,770,672
CASH AND CASH EQUIVALENTS, *end of year*	**$ 2,643,680**	**$ 3,711,118**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	$ 590,524	$ 1,001,496
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	1,056,058	1,071,468
Bad debts	26,077	-
(Increase) decrease in		
Parking revenues receivable	(8,299)	(22,053)
Prepaid expenses and other	5,487	(39,997)
Due from City of Albany, New York	(609,920)	167,946
Due from New York State	(866,052)	-
Deferred outflows of resources	676,962	(1,104,016)
Lease receivable	111,105	107,845
Increase (decrease) in		
Accounts payable, accrued expenses, and unearned parking revenues	268,746	(47,666)
Net pension asset/liability	(630,626)	(1,826,181)
Deferred inflows of resources	(465,758)	3,755,525
Accrued postemployment health benefits	738,422	(500,892)
	$ 892,726	**$ 2,563,475**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Business

The Albany Parking Authority (Authority) is a public benefit corporation of the State of New York. It is a discretely presented component unit of the City of Albany, New York (City) that was created by New York State legislation under Section 1493 during 1983. The Authority will exist until all of its liabilities have been met, and its bonds have been discharged. All rights and properties shall pass to the City upon the cessation of the Authority's existence.

The Authority owns and operates various parking facilities and parking meters throughout the City. The Authority's operating budget is subject to the approval of the City Common Council. The Common Council is also required to approve proposed capital improvements to the Authority's facilities.

b. Basis of Accounting and Financial Statement Presentation

The Authority's financial statements are prepared using the accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows and inflows of resources associated with the operations are included on the statements of net position.

Revenues are recognized when earned, and expenses are recognized when incurred. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing parking services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Operating revenues include fees from parking garages and parking meters, lease revenue, and reimbursement from the City for costs associated with parking enforcement (Note 9).

c. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of purchase, whether unrestricted or restricted.

Unrestricted and restricted cash equivalents are fully collateralized by either federal depository insurance or securities held by the pledging bank's trust department in the Authority's name.

Restricted cash, cash equivalents consist of amounts held by trustees in reserve funds established in connection with various bond issues.

e. Parking Revenues Receivable and Other Receivables

The Authority determines the allowance for doubtful accounts based on management's evaluation of anticipated collectability of outstanding accounts and past collection experience. During 2022, the Authority settled a past due balance resulting in a write off of approximately $20,500. Additionally, the Authority has established an allowance for doubtful accounts of approximately $5,600 related to parking revenue receivables.

The Authority entered into a $900,000 Downtown Revitalization Initiative (DRI) grant agreement with the State of New York for improvements to be made in Quackenbush Square. Project costs during 2022 and 2021 totaled $1,083,738 and $20,210, respectively, of which $33,948 was reimbursed through December 31, 2022. The Authority recorded amounts due from the State of New York under the DRI grant of $866,052, which it anticipates collecting during 2023.

The Authority also entered into an agreement with the City of Albany (City) to construct and maintain a public restroom on behalf of the City. See Note 9 for additional information on this agreement.

The Authority has recorded a receivable and corresponding deferred inflow of resources for the net present value of future payments under a rental space agreement with the U.S. Post Office. See Note 6 for additional information on this agreement.

f. Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives (3-40 years). When capital assets are retired or have been fully depreciated, their cost and the related accumulated depreciation are eliminated from the respective accounts. Gains or losses arising from the depositions are reported as non-operating revenue or expense. Routine maintenance and repairs are expensed as incurred.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value.

g. Unearned Parking Revenues

The Authority recognizes revenue from parking fees in the time period over which the parking space is provided. All payments received prior to the time period in which the parking space is provided are accounted for as unearned parking revenues.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Pensions

The Authority is a participating employer in the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Authority's financial position and results of operations due to its participation in the System is more fully disclosed in Note 7.

i. Other Postemployment Benefits

The Authority recognizes in its financial statements the financial impact of other postemployment benefits, principally employer funded health care costs. The impact on the Authority's financial position and results of operations is more fully disclosed in Note 8.

j. Deferred Outflows and Deferred Inflows of Resources

The Authority reports deferred outflows of resources and deferred inflows of resources on its statement of net position. Pension related deferred outflows of resources and deferred inflows of resources are more fully disclosed in Note 7. Other postemployment benefits related deferred outflows of resources and deferred inflows of resources are more fully disclosed in Note 8.

Gains or losses on the refunding of bonds are reported as deferred inflows or outflows in the statements of net position and are amortized over the shorter of the remaining maturities of the refunded bonds or the newly issued bonds, utilizing the effective interest rate method. Amortization of deferred losses on refunded bonds is reported as amortization expense in the statements of revenues, expenses, and changes in net position.

The net present value of amounts to be received under a lessor agreement is reported as deferred inflow of resources. See Note 6 for additional information on this agreement.

A summary of deferred outflows and inflows of resources as of December 31, 2022 and 2021 is presented as follows:

	2022	2021
Deferred Outflows		
Pension related	$ 1,339,230	$ 1,733,056
OPEB related	2,421,735	2,704,871
Debt refunding	122,123	170,172
	$ 3,883,088	$ 4,608,099
Deferred Inflows		
Pension related	$ 2,255,583	$ 2,233,770
OPEB related	2,264,329	2,640,795
Lease receivable	172,984	284,089
	$ 4,692,896	$ 5,158,654

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

k. Net Position

Net position is classified as follows:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.

- Restricted net position has externally placed constraints on use.

- Unrestricted net position consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "net investment in capital assets" or "restricted net position."

l. Adoption of New Accounting Standard

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases* (GASB 87). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Authority applied the provisions of GASB 87 retroactively and restated certain balances as follows:

	As Originally Stated 12/31/2021	Adoption of GASB 87	As Restated 12/31/2021
Lease receivable, current	$ -	$ 111,105	$ 111,105
Lease receivable, non-current	$ -	$ 172,984	$ 172,984
Deferred inflows of resources	$ 4,874,565	$ 284,089	$ 5,158,654

m. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 24, 2023, the date the financial statements were available to be issued.

Note 2 - Investments

Investments are measured at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date. The Authority had the following investments and maturities as of December 31, 2021:

		Investment Maturities (In Years)	
	Amount	Less than 1	1 to 5
Certificates of Deposit	$ 150,405	$ 150,405	$ -

Note 2 - Investments - Continued

a. Credit Risk

All of the Authority's investment related deposits with financial institutions were either covered by FDIC insurance or fully collateralized by authorized investments of the pledging financial institution.

The Authority's investment policy limits investments to deposits in savings, checking, and/or money market type accounts of banks that are fully collateralized or fully insured by the FDIC, certificates of deposit fully collateralized or fully insured by the FDIC, securities issued by or guaranteed by the U.S. Government or one of its agencies, and obligations of New York State or obligations in which the principal and interest are guaranteed by New York State.

b. Custodial Credit Risk

Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held either by: (a) the counterparty; or (b) the counterparty's trust department or agent but not in the government's name. All of the Authority's investments are held under its name with the custodian.

c. Interest Rate Risk

The fair value of the Authority's fixed maturity investments fluctuates in response to changes in market interest rates. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, the liquidity of the instrument, and other general market conditions. The Authority plans to hold its investments to maturity, which minimizes the occurrence of loss on investments.

d. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. At December 31, 2021, certificates of deposit held at one financial institution accounted for 100% of investments. All certificates of deposit were fully collateralized.

e. Fair Value of Financial Instruments

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Note 2 - Investments - Continued

e. Fair Value of Financial Instruments - Continued

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value at December 31, 2021:

Certificates of deposits: Valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

The method described above may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Authority believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

A summary of investments measured at fair value on a recurring basis is summarized below:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ 150,405	$ -	$ 150,405

Note 3 - Capital Assets

A summary of year-end balances and changes in capital assets subject to depreciation is as follows:

	December 31, 2022 and 2021						
	Balance January 1, 2021	2021 Additions (adjusted)	2021 Disposals	Balance December 31, 2021 (adjusted)	2022 Additions	2022 Disposals	Balance December 31, 2022
Non-depreciable							
Land	$ 3,774,681	$ -	$ -	$ 3,774,681	$ -	$ -	$ 3,774,681
Depreciable							
Garages and improvements	22,057,772	-	-	22,057,772	-	-	22,057,772
Furniture and equipment	1,887,286	-	-	1,887,286	743,656	(1,020,340)	1,610,602
Meters and other equipment	1,225,995	132,658	-	1,358,653	-	(2)	1,358,651
Intangible assets	-	-	-	-	124,485		124,485
Total capital assets, depreciable	25,171,053	132,658	-	25,303,711	868,141	(1,020,342)	25,151,510
Accumulated depreciation	(16,469,493)	(1,071,468)	-	(17,540,961)	(1,056,058)	915,129	(17,681,890)
Net value of capital assets, depreciable	8,701,560	(938,810)	-	7,762,750	(187,917)	(105,213)	7,469,620
Total capital assets, net of accumulated depreciation	$ 12,476,241	$ (938,810)	$ -	$ 11,537,431	$ (187,917)	$ (105,213)	$ 11,244,301

The Authority determined that a $40,000 prepaid warranty had been included in the 2021 additions column. The Authority has reclassified this amount to prepaid expense. There was no income statement impact as a result of this reclassification.

Note 4 - Financing and Deferred Amounts

A summary of year-end balances and changes in financing and deferred amounts and related accumulated amortization is as follows:

	December 31, 2022 and 2021						
	Balance January 1, 2021	2021 Additions	2021 Amortization/ Deletions	Balance December 31, 2021	2022 Additions	2022 Amortization/ Deletions	Balance December 31, 2022
Deferred loss on bond refunding, net (a)	$ 218,220	$ -	$ (48,048)	$ 170,172	$ -	$ (48,049)	122,123

(a) The difference between the net carrying amount of the defeased bonds (1992A, 2001A, and 2007A), and reacquisition price of the bonds is deferred and amortized over the shorter of the life of the defeased bonds or the new bond using the straight-line method, which approximates the effective interest method. Amortization of deferred amounts totaled approximately $48,000 for both of the years ended December 31, 2022 and 2021.

Note 5 - Long-Term Debt

A summary of long-term debt ending balances and transactions for the years ended December 31, 2022 and 2021, is as follows:

	Balance January 1, 2021	2021 Additions	2021 Reductions	Balance December 31, 2021	2022 Additions	2022 Reductions	Balance December 31, 2022
Bonds Payable							
Series 2011	$ 3,735,000	$ -	$ (605,000)	$ 3,130,000	$ -	$ (660,000)	$ 2,470,000
Series 2018 A & B	3,895,000	-	(635,000)	3,260,000	-	(705,000)	2,555,000
Total	7,630,000	-	(1,240,000)	6,390,000	-	(1,365,000)	5,025,000
Unamortized bond discount	(25,852)	-	5,693	(20,159)	-	5,691	(14,468)
Unamortized bond premium	340,526	-	(74,979)	265,547	-	(74,978)	190,569
Total bonds payable	7,944,674	-	(1,309,286)	6,635,388	-	(1,434,287)	5,201,101
Purchase finance agreements	402,481	172,656	(182,452)	392,685	795,344	(375,726)	812,303
Total long-term debt	$ 8,347,155	$ 172,656	$ (1,491,738)	$ 7,028,073	$ 795,344	$ (1,810,013)	$ 6,013,404

Bonds Payable

A summary of the Authority's bonds payable are as follows:

	December 31, 2022	December 31, 2021
Parking revenue refunding bonds, Series 2011, interest at 5.135%, payable semi-annually, principal due in various installments amortized through 2025, collateralized by a first lien on parking revenues	$ 2,470,000	$ 3,130,000
Parking revenue refunding bonds, Series 2018A and 2018B, interest at 5.000% and 2.650% to 3.000%, respectively, payable semiannually, principal due in various installments, through July 2025, collateralized by a first lien on property	2,555,000	3,260,000
	5,025,000	6,390,000
Less current maturities	(1,355,000)	(1,365,000)
Less bond discounts	(14,468)	(20,159)
Add bond premiums	190,569	265,547
Long-term debt, less current maturities	$ 3,846,101	$ 5,270,388

Note 5 - Long-Term Debt - Continued

Bonds Payable - Continued

Interest expense incurred on bonds payable totaled approximately $277,000 and $337,000 for the years ended December 31, 2022 and 2021, respectively.

Future aggregate principal and interest payments under long-term debt obligations are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2023	$ 1,355,000	$ 254,585	$ 1,609,585
2024	1,495,000	185,950	1,680,950
2025	2,175,000	110,228	2,285,228
	$ 5,025,000	$ 550,763	$ 5,575,763

The bonds and other obligations of the Authority are not considered to be a debt of the State of New York (State) or of the City, and neither the State nor the City is liable thereon.

Purchase Finance Agreements

The Authority finances various pieces of equipment and projects through lease arrangements, whereby the Authority takes title to the assets at the commencement of the arrangement or upon the final payment. These arrangements are excluded from lease accounting and reported as financed purchases of the underlying asset due to the underlying transfer of ownership.

A summary of the Authority's purchase financing arrangements are as follows:

	December 31, 2022	December 31, 2021
Financing for the purchase of multi-space meters, monthly payments of $16,019 including interest of 3.06%, and maturity date of February 2023	$ 32,037	$ 224,260
Financing for the purchase of single-space meters, monthly payments of $2,993 including interest of 1.56%, and maturity date of December 2026.	805,497	179,589
	837,534	403,849
Less amount representing interest	25,231	11,164
Present value of long-term obligation under capital lease	$ 812,303	$ 392,685

Note 5 - Long-Term Debt - Continued

Purchase Finance Agreements - Continued

A summary of the Authority's future maturities under purchase financing arrangements is as follows:

	Principal	Interest	Totals
For the year ending December 31,			
2023	$ 222,474	$ 10,939	$ 233,413
2024	193,553	7,821	201,374
2025	196,594	4,780	201,374
2026	199,682	1,691	201,373
	$ 812,303	$ 25,231	$ 837,534

Interest expense on purchase financing arrangements or the years ended December 31, 2022 and 2021 was approximately $17,870 and 9,800, respectively.

Note 6 - Leases

Lessor Transactions

On June 15, 2019, the Authority entered into a 60-month lease as Lessor for the use of a portion of Garage #2 with the United States Postal Service. An initial lease receivable and deferred inflow of resources were recorded in the amount of $547,798. As of December 31, 2022 and 2021, the value of the lease receivable and deferred inflow of resource is $172,984 and $284,089. The lessee is required to make semi-annual fixed payments of $59,400. The lease did not contain a provision for interest; accordingly, the Authority estimated its incremental borrowing rate at the time the lease commenced to be 3.0%. The Authority recognized lease revenue and related interest of $118,800 during the years ended December 31, 2022 and 2021. There are no options to extend this lease.

Future minimum annual rentals receivable under the lease at December 31, 2022 are as follows:

	Principal	Interest	Total
For the year ending December 31,			
2023	$ 114,462	$ 4,338	$ 118,800
2024	58,522	878	59,400
	$ 172,984	$ 5,216	$ 178,200

Note 7 - Pension Plans

a. Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees' Retirement System (System), which is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from ERS at www.osc.state.ny.us/retire.

Note 7 - Pension Plans - Continued

a. Plan Description and Benefits Provided - Continued

The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

b. Contributions

Employees in Tier I through IV are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary, Tier V employees who contribute 3% of their salary, and Tier VI employees who contribute between 3% and 6% of their salary. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. Contributions made to the System for the current and the two preceding years were as follows:

2022	$ 201,514
2021	264,812
2020	228,851

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

c. Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022 and 2021, the Authority reported a net pension asset of approximately $623,000 and a net pension liability of $7,300, for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of March 31, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension asset/liability was determined by actuarial valuations as of April 1, 2021 and 2020, respectively. The Authority's proportion of the net pension asset/liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022 and 2021, the Authority's proportion was .0076255% and 0.0073052%, respectively.

For the years ended December 31, 2022 and 2021, the Authority recognized pension income of $13,472 and pension expense of $142,025, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31, 2022 and 2021:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 47,207	$ 61,231	$ 88,836	$ -
Changes of assumptions	1,040,305	17,554	1,337,468	25,225
Net differences between projected and actual investment earnings on pension plan investments	-	2,041,217	-	2,089,544
Changes in proportion and differences between employer contributions and proportionate share of contributions	50,204	135,581	41,940	119,001
Authority contributions subsequent to the measurement date	201,514		264,812	-
Total	$ 1,339,230	$ 2,255,583	$ 1,733,056	$ 2,233,770

Note 7 - Pension Plans - Continued

c. Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

Deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2023	$ (194,460)
2024	(255,412)
2025	(546,961)
2026	(121,034)
Total	$ (1,117,867)

d. Actuarial Assumptions

The total pension liability at March 31, 2022 and 2021 was determined by using an actuarial valuation as of April 1, 2021 and April 1, 2020, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2022 and March 31, 2021. The actuarial valuation used the following actuarial assumptions. The assumptions are consistent year to year, except as noted:

Actuarial Cost Method	Entry Age Normal
Inflation rate	2.7%
Salary scale	4.4%, indexed by service
Investment rate of return, including inflation	5.9%, compounded annually, net of investments
Cost of living adjustment	1.4%
Decrement	
2022	Based on FY 2016-2020 experience
2021	Based on FY 2015-2020 experience
Mortality improvement	
2022	System Experience and SOA Scale MP-2020
2021	System Experience and SOA Scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 7 - Pension Plans - Continued

e. Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class and the System's target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/ARS portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.58%
Fixed Income	23.00%	0.00%
Cash	1.00%	-1.00%
	100.00%	

f. Discount Rate

The discount rate projection of cash flows assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability (asset) as of December 31, 2022 calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be as of December 31, 2022, if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Authority's proportionate share of the net pension liability (asset)	$ 1,604,501	$ (623,352)	$ (2,486,844)

Note 7 - Pension Plans - Continued

h. Pension Plan Fiduciary Net Position

The components of the net pension liability (asset) of the New York State and Local Employees' Retirement System as of March 31 were as follows (amounts in thousands):

	2022	2021
Employers' total pension liability	$ 223,874,888	$ 220,680,157
Plan net position	(232,049,473)	(220,580,583)
Employers' net pension liability (asset)	$ (8,174,585)	$ 99,574
Ratio of plan net position to the employers' total pension liability	103.65%	99.95%

Note 8 - Postemployment Benefits Other Than Pensions (OPEB)

a. Benefit Description

The Authority provides health care insurance benefit programs for most retired Authority employees and, in certain instances, their spouses and dependents. Those Authority employees determined to be eligible by the Authority receive such benefits when they attain a certain age and service requirements while employed by the Authority. A summary of active employees and retirees and survivors covered under this benefit program as of December 31, 2022 and 2021 (using measurement dates of January 1, 2022 and 2021, respectively) is as follows:

	2022	2021
Active employees	39	39
Retirees and survivors	7	7
Total	46	46

b. Funding Policy

The contribution requirements of benefit plan members and the Authority are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. The Authority is not required to fund the benefit plan other than on the pay-as-you-go amount necessary to provide current benefits to retirees. For the years ended December 31, 2021 and 2020, the Authority paid approximately $52,400 and $49,300, respectively, on behalf of plan members. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

Note 8 - Postemployment Benefits Other Than Pensions (OPEB)

c. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022 and 2021, the Authority reported an OPEB liability of approximately $8,668,000 and $7,930,000, respectively. The OPEB liability was measured as of December 31, 2022 and 2021 by actuarial valuations as of January 1, 2022 and 2021, respectively. For the years ended December 31, 2022 and 2021, the Authority recognized OPEB expense of approximately $735,000 and $635,100, respectively. The Authority reported the following deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31st:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ -	$ 1,853,953	$ -	$ 2,141,206
Differences between expected and actual experience	2,332,269	410,376	2,625,841	499,589
Authority contributions subsequent to the measurement date	89,466	-	79,030	-
Total	$ 2,421,735	$ 2,264,329	$ 2,704,871	$ 2,640,795

Contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	
2023	$ 18,361
2024	18,361
2025	18,361
2026	18,361
2027	49,113
Thereafter	(54,617)
Total	$ 67,940

d. Methods and Assumptions

The total OPEB liability in the December 31, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	January 1, 2021
Measurement date	January 1, 2022 and January 1, 2021
Actuarial cost method	Entry age normal - level percent of pay (2022 and 2021)
Discount rate	2.06% (2022) 2.12% (2021) Source: Bond Buyer Weekly 20-Bond GO Index
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model (2021 and 2020)
Salary scale	2.75% (2022 and 2021)
Rate of inflation	2.50% (2022) 2.40% (2021)

Note 8 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

d. Methods and Assumptions - Continued

Mortality - actives	RPH-2014 mortality table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020 (2022 and 2021)
Mortality - retirees	RPH-2014 mortality table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020 (2022 and 2021)
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation June 2019 (2022 and 2021)
Election percentage	100% - retiree (2022 and 2021) 90% - retiree's spouse (2022 and 2021) 0% - surviving spouse (2022 and 2021)
Marriage rate	70% of retirees estimated to be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female (2022 and 2021)

e. Changes in the OPEB Liability

	2022	2021
Balance, beginning of the year	$ 7,929,832	$ 8,430,724
Changes for the year		
Service cost	537,527	386,395
Interest	178,670	240,871
Differences between expected and actual experience	-	(2,145,005)
Changes in assumptions and other inputs	101,255	1,069,235
Benefit payments	(79,030)	(52,388)
Balance, end of the year	$ 8,668,254	$ 7,929,832

f. Sensitivity to the Employer's Proportionate Share of the OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate

The following presents the OPEB liability as of December 31, 2022 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower and 1% higher than the current rate:

	1% Decrease	Current Rates	1% Increase
Accrued postemployment health benefits	$ 6,833,208	$ 8,668,254	$ 11,169,578

Note 8 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

f. Sensitivity to the Employer's Proportionate Share of the OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate - Continued

The following presents the OPEB liability as of December 31, 2022 calculated using the discount rate of 2.06%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 1.06%	Current Discount 2.06%	1% Increase 3.06%
Accrued postemployment health benefits	$ 10,601,399	$ 8,668,254	$ 7,160,942

Note 9 - Transactions with the City

On January 1, 2015, the Authority entered into an agreement with the City, which transferred 20 employees to the Authority who were previously employed by the City. These employees are responsible for enforcement of parking regulations throughout the City. The employees are collectively bargained through the Communication Workers of America, Local 1118, AFL-CIO, with an agreement on behalf of the Authority, which expires December 31, 2025. The employees who were transferred to the Authority maintained their titles, seniority, accrued vacation, and sick leave time previously earned while employed by the City.

The agreement also requires the City to annually pay the costs incurred by the Authority associated with enforcement (capital and operating) arising from the employment of personnel, as well as associated plant and equipment utilized by the Authority for enforcement of parking rules. In addition, the Authority may annually pay a licensing fee to the City for the easement and license of the parking meters within the City, which will be agreed upon each year by the City and the Authority. The costs incurred by the Authority under this agreement during 2022 and 2021, net of the licensing fee, if any, amounted to $1,848,624 and $1,795,286, respectively. The City owed the Authority approximately $353,420 and $254,000 at December 31, 2022 and 2021, respectively.

The Authority's obligations under the agreement are subject and subordinate to the Authority's obligations to pay scheduled debt service on its bond obligations (Note 5) as defined in the agreement. The terms of this agreement will continue through April 6, 2030.

In December 2021, the City and Authority signed an agreement whereby the Authority would construct and maintain a public restroom to accommodate visitors to the Skyway, Quackenbush Square and Container Park. Under the terms of the agreement, the Authority is to be fully reimbursed for all project costs. During 2022 and 2021, project costs incurred totaled $511,476 and $8,113, respectively. The Authority has recorded a receivable from the City in the amount of $510,494 for the project costs reimbursements.

Note 10 - Accounting Pronouncement Issued But Not Yet Implemented

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a government or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of timing in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator to require to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics. The requirements of this statement related to the extension of the sue of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for

Note 10 - Accounting Pronouncement Issued But Not Yet Implemented - Continued

(1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management has not yet estimated the extent of the potential impact of these statements on the Authority’s financial statements.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Required Supplementary Information
Schedule of Local Government's Proportionate Share of the Net Pension Liability/Asset

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability/asset	0.0076255%	0.0073052%	0.0069238%	0.0069919%	0.0070730%	0.0063876%	0.0047966%	0.0035951%
Authority's proportionate share of the net pension liability (asset)	$ (623,352)	$ 7,274	$ 1,833,455	$ 495,395	$ 228,276	$ 600,192	$ 769,869	$ 121,453
Authority's covered-employee payroll	$ 1,962,532	$ 1,868,723	$ 1,725,760	$ 1,672,895	$ 1,565,631	$ 1,550,338	$ 1,493,836	$ 1,561,158
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-31.76%	0.39%	106.24%	29.61%	14.58%	38.71%	51.54%	7.78%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Required Supplementary Information
Schedule of Local Government Pension Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 201,514	$ 264,812	$ 228,851	$ 228,096	$ 219,121	$ 212,994	$ 211,462	$ 223,476	$ 143,412	$ 146,011
Contributions in relation to the contractually required contribution	201,514	264,812	228,851	228,096	219,121	212,994	211,462	223,476	143,412	146,011
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	1,962,532	1,868,723	1,725,760	1,672,895	1,565,631	1,550,338	1,493,836	1,561,158	798,234	837,275
Contribution as a percentage of covered-employee payroll	10.27%	14.17%	13.26%	13.63%	14.00%	13.74%	14.16%	14.31%	17.97%	17.44%

See Independent Auditor's Report.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2022	2021	2020	2019	2018
Balance, beginning of the year	$ 7,929,832	$ 8,430,724	$ 6,089,727	$ 6,751,494	$ 5,861,854
Changes for the year					
Service cost	537,527	386,395	275,441	290,903	271,212
Interest	178,670	240,871	259,960	241,271	230,865
Changes in assumptions and other inputs	101,255	1,069,235	-	(767,228)	438,618
Differences between expected and actual experience	-	(2,145,005)	1,854,943	(369,348)	-
Benefit payments	(79,030)	(52,388)	(49,347)	(57,365)	(51,055)
Net changes for the year	738,422	(500,892)	2,340,997	(661,767)	889,640
Balance, end of the year	$ 8,668,254	$ 7,929,832	$ 8,430,724	$ 6,089,727	$ 6,751,494
Covered payroll	1,930,265	1,835,346	1,670,844	1,586,614	1,587,911
Liability as a percentage of covered payroll	449.07%	432.06%	504.58%	383.82%	425.18%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2022							
	Garage #1	Garage #2	Garage #3	Parking Meters	Surface Lots	Office/ Administration	Enforcement	Total
OPERATING REVENUES	$ 1,245,848	$ 1,513,684	$ 1,255,659	$ 2,419,594	$ 196,781	$ 889,037	$ 1,641,821	$ 9,162,424
OPERATING EXPENSES								
Salaries and benefits expense	1,018	2,749	13,236	123,223	-	1,799,349	1,644,452	3,584,027
Repairs and maintenance	334,201	187,476	93,210	1,091	4,509	89,288	114,875	824,650
Utilities	22,296	23,095	47,742	-	-	-	-	93,133
Professional fees	-	-	-	-	-	105,144	2,555	107,699
Depreciation	197,207	263,121	292,410	270,453	-	29,626	3,241	1,056,058
Meter supplies and equipment	-	-	-	38,033	-	-	-	38,033
Bad debt	-	-	20,484	5,593	-	-		26,077
Insurance	-	-	-	-	-	192,724	-	192,724
Computerization	2,939	8,400	-	162,252	6,170	132,247	-	312,008
Credit card fees	13,472	9,888	7,773	194,354	6,158	-	-	231,645
Project costs	-	-	511,476	-	-	1,083,738	-	1,595,214
Miscellaneous	6,927	11,810	11,525	12,200	78,206	306,463	83,501	510,632
Total operating expenses	578,060	506,539	997,856	807,199	95,043	3,738,579	1,848,624	8,571,900
Operating income (loss)	**667,788**	**1,007,145**	**257,803**	**1,612,395**	**101,738**	**(2,849,542)**	**(206,803)**	**590,524**
NONOPERATING REVENUE (EXPENSES)								
Interest income	5,584	13,279	5,584	-	-	-	-	24,447
Amortization of bond insurance premiums and deferred losses	(16,017)	(16,016)	(16,016)	-	-	-	-	(48,049)
Interest expense	(78,018)	(78,019)	(78,019)	(6,564)	-	-	-	(240,620)
Gain on disposal of capital assets	(25,177)	(38,303)	(21,735)	106	-	-	-	(85,109)
Allocation of administration expenses	(508,220)	(516,366)	(524,514)	(656,221)	(408,755)	2,614,076	-	-
Total nonoperating revenue (expenses)	(621,848)	(635,425)	(634,700)	(662,679)	(408,755)	2,614,076	-	(349,331)
Excess (deficiency) of revenues over expenses	**$ 45,940**	**$ 371,720**	**$ (376,897)**	**$ 949,716**	**$ (307,017)**	**$ (235,466)**	**$ (206,803)**	**$ 241,193**

See Independent Auditor's Report.

Albany Parking Authority

(A Component Unit of the City of Albany, New York)

Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2021							
	Garage #1	**Garage #2**	**Garage #3**	**Parking Meters**	**Surface Lots**	**Office/ Administration**	**Enforcement**	**Total**
OPERATING REVENUES	$ 1,154,650	$ 1,264,193	$ 556,041	$ 2,017,648	$ 157,090	$ 10,963	$ 1,529,425	$ 6,690,010
OPERATING EXPENSES								
Salaries and benefits expense	1,450	673	-	85,084	-	1,630,624	1,563,643	3,281,474
Repairs and maintenance	70,794	65,907	79,021	6,601	2,981	39,180	108,540	373,024
Utilities	17,564	18,851	31,316	-	-	-	-	67,731
Professional fees	-	-	-	-	-	71,108	2,265	73,373
Depreciation	197,258	266,858	289,963	239,624	3,431	25,218	49,116	1,071,468
Meter supplies and equipment	-	-	-	18,993	-	-	-	18,993
Insurance	-	-	-	-	-	117,613	-	117,613
Computerization	2,940	8,400	-	104,068	3,969	91,908	469	211,754
Credit card fees	9,534	9,553	7,026	141,700	4,129	-	-	171,942
Project costs	-	-	28,323	-	-	-	-	28,323
Miscellaneous	132	1,079	1,064	5,948	85,858	107,485	71,253	272,819
Total operating expenses	299,672	371,321	436,713	602,018	100,368	2,083,136	1,795,286	5,688,514
Operating income (loss)	**854,978**	**892,872**	**119,328**	**1,415,630**	**56,722**	**(2,072,173)**	**(265,861)**	**1,001,496**
NONOPERATING REVENUE (EXPENSES)								
Interest income	690	692	691	-	-	-	-	2,073
Amortization of bond insurance premiums and deferred losses	(16,016)	(16,016)	(16,016)	-	-	-	-	(48,048)
Interest expense	(96,155)	(96,155)	(96,155)	(9,771)	-	-	-	(298,236)
Gain on disposal of capital assets	150	150	150	370	-			820
Allocation of administration expenses	(420,630)	(425,404)	(426,824)	(482,488)	(348,000)	2,103,346	-	-
Total nonoperating revenue (expenses)	(531,961)	(536,733)	(538,154)	(491,889)	(348,000)	2,103,346	-	(343,391)
Excess (deficiency) of revenues over expenses	**$ 323,017**	**$ 356,139**	**$ (418,826)**	**$ 923,741**	**$ (291,278)**	**$ 31,173**	**$ (265,861)**	**$ 658,105**

See Independent Auditor's Report.

Albany Parking Authority

(A Component Unit of the City of Albany, New York)

Supplementary Information – Schedule of Capital Assets

	December 31, 2022							
	Garage #1	Garage #2	Garage #3	Parking Meters/ Other Equipment	Surface Lots	Office/ Administration	Enforcement	Total
Land	$ -	$ 2,537,493	$ 1,237,188	$ -	$ -	$ -	$ -	$ 3,774,681
Garages and improvements	5,295,356	7,301,849	9,460,567	-	-	-	-	22,057,772
Furniture and equipment	443,389	347,686	263,421	-	22,872	231,394	301,840	1,610,602
Meters and other equipment	-	-	-	1,358,651	-	-	-	1,358,651
Intangible assets	39,838	51,039	33,608	-	-	-	-	124,485
	5,778,583	10,238,067	10,994,784	1,358,651	22,872	231,394	301,840	28,926,191
Less accumulated depreciation	4,845,231	6,371,864	4,918,335	1,125,947	22,872	119,299	278,342	17,681,890
Net capital assets	**$ 933,352**	**$ 3,866,203**	**$ 6,076,449**	**$ 232,704**	**$ -**	**$ 112,095**	**$ 23,498**	**$ 11,244,301**

	December 31, 2021							
	Garage #1	Garage #2	Garage #3	Parking Meters/ Other Equipment	Surface Lots	Office/ Administration	Enforcement	Total
Land	$ -	$ 2,537,493	$ 1,237,188	$ -	$ -	$ -	$ -	$ 3,774,681
Garages and improvements	5,295,356	7,301,849	9,460,567	-	-	-	-	22,057,772
Furniture and equipment	557,146	477,547	362,575	-	22,872	165,306	301,840	1,887,286
Meters and other equipment	-	-	-	1,358,653	-	-	-	1,358,653
	5,852,502	10,316,889	11,060,330	1,358,653	22,872	165,306	301,840	29,078,392
Less accumulated depreciation	4,946,759	6,471,438	4,879,621	855,497	22,872	89,673	275,101	17,540,961
Net capital assets	**$ 905,743**	**$ 3,845,451**	**$ 6,180,709**	**$ 503,156**	**$ -**	**$ 75,633**	**$ 26,739**	**$ 11,537,431**

See Independent Auditor's Report.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Albany Parking Authority
Albany, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Albany Parking Authority (Authority), a component unit of the City of Albany, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including *Investment Guidelines for Public Authorities*, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST+Co.CPAs, LLP

Albany, New York
March 24, 2023

Albany Parking Authority
(A Component Unit of the City of Albany, New York)

Schedule of Findings and Responses
Year Ended December 31, 2022 and 2021

2022-001. Financial Reporting

Criteria: The Authority is required to maintain its accounting records on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

Condition/Cause: Due to transition within the accounting function towards the end of the fiscal year, the Authority's financial statements required material adjustments to comply with U.S. GAAP. These adjustments included amounts due from the City of Albany, amounts due from the State of New York, accounting for purchase finance agreements and capital assets, and the adoption of GASB 87, *Leases.*

Effect or Potential Effect: As noted above, audit procedures identified a number of correcting adjustments to the original trial balance presented at the commencement of the audit.

Recommendation: Those responsible for financial reporting should undergo additional training to help ensure a thorough understanding of U.S. GAAP and the preparation of the financial statements.

Views of Responsible Officials: The Authority understands the recommendation and will pursue training for its personnel relative to U.S. GAAP for governments and financial statement preparation.