



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

Financial Report

December 31, 2023 and 2022

Albany Parking Authority

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

Financial Report

December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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.

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.

Auditor's Responsibility for the Audit of the Financial Statements - Continued

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



Supplementary Information - Continued

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 22, 2024, 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 22, 2024



Albany Parking Authority

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

Management's Discussion and Analysis December 31, 2023 and 2022

The Albany Parking Authority (Authority) is pleased to present its Financial Report for the years ended December 31, 2023 and 2022. We encourage readers to consider the information on pages 14 to 31 in conjunction with the Authority's financial statements and supplementary information (presented on pages 35 to 37) 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

- The Authority reported a net position of \$1.3 million, comprising of \$20.6 million in total assets and \$3.4 million in deferred outflows of resources, less \$16.9 million in total liabilities and \$5.8 million in deferred inflows of resources.
- The Authority had total revenues of \$9.1 million, which exceed total expenses of \$7.8 million for an operating income of \$1.3 million.
- The Authority continues to maintain a compliant debt coverage ratio, with a 1.65 ratio in 2023.
- The total bond debt outstanding at December 31, 2023 was \$7.9 million, an increase of \$2.9 million from December 31, 2022 as a result of the issuance of Parking System Revenues Bonds Series 2023A and Series 2023B, partially offset by current year principal payments. Current bond obligations are set to expire in 2038.

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.

Albany Parking Authority

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Management's Discussion and Analysis December 31, 2023 and 2022

REQUIRED FINANCIAL STATEMENTS - CONTINUED

The statement of net position includes all of the Authority's assets, liabilities, and deferred outflows of resources and deferred 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. The Authority has been awarded various such grants, including grant monies to conduct various feasibility studies and construction projects from the New York State Department of Economic Development and the New York State Urban Development Corporation d/b/a Empire State Development. Additionally, the Authority is a subrecipient of American Rescue Plan federal funding passed through the City.

Albany Parking Authority

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

Management's Discussion and Analysis December 31, 2023 and 2022

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 53 handicap or ADA accessible spaces and 19 EV charging spaces. Garage revenue is generated from daily customers that pay by the 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 2023.

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 the hour for parking services Monday through Saturday and monthly customers 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):

Parking Facilities	Average Monthly Revenue		Difference	% Change
	2023	2022		
Riverfront	\$ 110,639	\$ 103,821	\$ 6,818	6.57%
Green-Hudson	133,190	126,140	7,050	5.59%
Quackenbush	68,547	62,097	6,450	10.39%
Parking Meters	232,805	201,633	31,172	15.46%
Q Lots and C Lots	19,187	16,398	2,789	17.01%

Albany Parking Authority

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

Management's Discussion and Analysis December 31, 2023 and 2022

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,				
	2023	2023 vs. 2022	2022	2022 vs. 2021	2021
Current assets and investments	\$ 9,924,206	116.9%	\$ 4,575,098	5.5%	\$ 4,336,877
Noncurrent assets, net	10,680,044	-10.4%	11,926,175	1.8%	11,710,415
Total assets	20,604,250	24.9%	16,501,273	2.8%	16,047,292
Deferred outflows of resources, net	3,393,628	-12.6%	3,883,088	-15.7%	4,608,099
Current liabilities	2,789,786	27.0%	2,196,628	8.8%	2,018,678
Long-term liabilities	14,108,110	7.7%	13,104,184	-1.7%	13,328,599
Total liabilities	16,897,896	10.4%	15,300,812	-0.3%	15,347,277
Deferred inflows of resources	5,750,945	22.5%	4,692,896	-9.0%	5,158,654
Net position, capital	5,477,683	1.9%	5,376,837	-4.2%	5,612,534
Net position, restricted	521,648	47.2%	354,494	-24.9%	472,149
Net position, unrestricted	(4,650,294)	-12.9%	(5,340,678)	-10.0%	(5,935,223)
Net position	<u>\$ 1,349,037</u>	<u>245.3%</u>	<u>\$ 390,653</u>	<u>161.4%</u>	<u>\$ 149,460</u>

	Years Ended December 31,				
	2023	2023 vs. 2022	2022	2022 vs. 2021	2021
Operating revenue	\$ 9,047,508	-1.3%	\$ 9,162,424	37.0%	\$6,690,010
Nonoperating revenue	92,703	279.2%	24,447	1079.3%	2,073
Total revenues	9,140,211	-0.5%	9,186,871	37.3%	6,692,083
Depreciation expense	995,648	-5.7%	1,056,058	-1.4%	1,071,468
Amortization expense	48,729	1.4%	48,049	0.0%	48,048
Other operating expenses	6,780,051	-9.8%	7,515,842	62.8%	4,617,046
Nonoperating expense	357,399	9.7%	325,729	9.5%	297,416
Total expenses	8,181,827	-8.5%	8,945,678	48.3%	6,033,978
Change in net position	958,384		241,193		658,105
NET POSITION, beginning of year	390,653		149,460		(508,645)
NET POSITION, end of year	<u>\$ 1,349,037</u>		<u>\$ 390,653</u>		<u>\$ 149,460</u>

GENERAL TRENDS AND SIGNIFICANT EVENTS

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.

The Skyway Park, which is located adjacent to Quackenbush Garage and Quackenbush Lot, opened during the spring of 2022. The Skyway Park, in addition to the Quackenbush Square project, also opened in 2022, has begun to transform the area into an activity hub, connecting visitors to art, music, entertainment venues, local restaurants, businesses and the Albany waterfront.

Albany Parking Authority

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

Management's Discussion and Analysis December 31, 2023 and 2022

FINANCIAL CONDITION

Compared to 2022, parking revenues increased by \$700 thousand in 2023. Revenue improvements were primarily due to increases in daily garage and lot revenue, meter revenue, monthly income, and special event revenue as the Authority's revenue continues to recover from the COVID-19 pandemic.

Expenses totaled \$7.8 million, decreasing compared to \$8.6 million in 2022. The decrease in operating costs was primarily due to \$1.6 million in project cost incurred on behalf of the City of Albany during 2022. The Authority also saw a \$400 thousand increase in salaries and benefits and \$85 thousand increase in repairs and maintenance in addition to a \$94 thousand increase in professional fees.

The meter licensing fee, which is subordinate to debt service payments, had been suspended since March 2020. Meter licensing fee payments began again in 2023, totaling \$200 thousand for 2023.

During 2023, the Authority issued Parking System Revenues Bonds, Series 2023A and 2023B totaling \$2.7 and \$1.6 million, respectively. The bonds require varying principal payments, including interest at rates that vary from 5.000% - 5.875%. The Parking System Revenue Bonds Series 2023A and 2023B mature in July 2030 and 2038, respectively.

RESULTS OF OPERATIONS

Revenue

Total revenue, excluding state operating grants and enforcement and project cost reimbursements, was \$6.8 million, compared to \$6.1 million in 2022. Parking enforcement revenue increased to \$2.0 million compared to \$1.6 million in 2022. Project cost reimbursements, Federal grant and State grant revenue totaled \$256 thousand, a decrease from \$1.4 million in 2022.

Expenses

Total operating expenses for 2023 totaled \$7.8 million, a decrease from \$8.6 million in 2022.

Nonoperating Revenue (Expenses)

Nonoperating revenue (expenses) in 2023 remained comparable to 2022.

LONG-TERM OBLIGATIONS

As of December 31, 2023, the Authority had \$7.9 million outstanding related to bonds issued during 2011, 2018 and 2023.

In addition, the Authority has approximately \$769 thousand in purchase finance agreements that were issued to pay for multi-space and single space parking meters. These obligations will be fully repaid in 2028.

More detailed information about the Authority's long-term obligations is presented in the Notes to the Financial Statements on pages 19 through 21.

Albany Parking Authority

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

Management's Discussion and Analysis December 31, 2023 and 2022

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 \$522 thousand.

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.

Albany Parking Authority

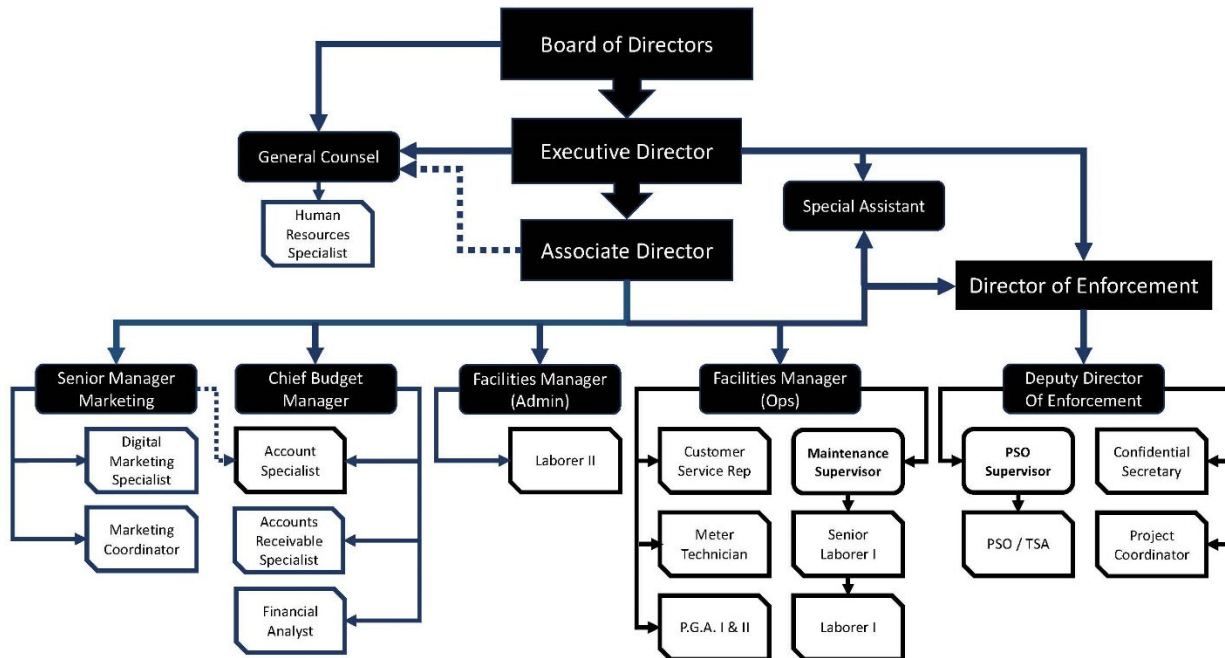
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Management’s Discussion and Analysis December 31, 2023 and 2022

PRINCIPAL OFFICIALS AND AUTHORITY ORGANIZATION CHART

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, 2028



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

Statements of Net Position

	December 31,	
	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 965,585	\$ 1,463,411
Cash and cash equivalents, restricted	7,201,582	1,180,269
Parking revenues receivable, net	139,690	45,164
Lease receivable	58,522	114,462
Due from the City of Albany, New York	939,704	863,914
Due from New York State	555,595	866,052
Prepaid expenses and other	63,528	41,826
Total current assets	9,924,206	4,575,098
NON-CURRENT ASSETS		
Lease receivable, less current portion	-	58,522
Net pension asset	-	623,352
Capital assets, not being depreciated	3,774,681	3,774,681
Capital assets, net of accumulated depreciation	6,905,363	7,469,620
Total non-current assets	10,680,044	11,926,175
Total assets	20,604,250	16,501,273
	3,393,628	3,883,088
DEFERRED OUTFLOWS OF RESOURCES		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	565,813	412,355
Accrued interest	142,614	116,684
Unearned parking revenues	116,613	90,115
Current maturities of long-term debt	1,685,000	1,355,000
Current installments of purchase finance agreements	225,043	222,474
Current installments of lease liability	54,703	-
Total current liabilities	2,789,786	2,196,628
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	6,491,113	3,846,101
Purchase finance agreements, less current installments	544,447	589,829
Lease liability, less current installments	237,139	-
Postemployment health benefits	5,201,999	8,668,254
Net pension liability	1,633,412	-
Total non-current liabilities	14,108,110	13,104,184
Total liabilities	16,897,896	15,300,812
	5,750,945	4,692,896
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Net investment in capital assets	5,477,683	5,376,837
Restricted	521,648	354,494
Unrestricted deficit	(4,650,294)	(5,340,678)
TOTAL NET POSITION	\$ 1,349,037	\$ 390,653

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,	
	2023	2022
OPERATING REVENUES		
Parking revenues	\$ 6,772,403	\$ 6,121,072
Reimbursement from the City of Albany, New York		
Parking enforcement	2,018,310	1,641,821
Project cost reimbursement	-	510,494
Federal grant	173,795	-
State grant	83,000	889,037
	9,047,508	9,162,424
OPERATING EXPENSES		
Salaries and benefits expense	3,979,105	3,584,027
Repairs and maintenance	909,916	824,650
Utilities	91,282	93,133
Licensing fees	200,000	-
Professional fees	201,168	107,699
Depreciation	995,648	1,056,058
Meter supplies and equipment	30,054	38,033
Bad debt	92,421	26,077
Insurance	61,757	192,724
Computerization	282,730	312,008
Credit card fees	237,775	231,645
Project costs	76,208	1,595,214
Miscellaneous	617,635	510,632
	7,775,699	8,571,900
Operating income	1,271,809	590,524
NONOPERATING REVENUE (EXPENSES)		
Interest income	92,703	24,447
Amortization of bond insurance premiums and deferred losses	(48,729)	(48,049)
Other income (expense)	22,058	(85,109)
Bond issuance costs	(141,631)	-
Interest expense	(237,826)	(240,620)
Total nonoperating revenue (expenses)	(313,425)	(349,331)
Change in net position	958,384	241,193
NET POSITION, beginning of year	390,653	149,460
NET POSITION, end of year	\$ 1,349,037	\$ 390,653

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,	
	2023	2022
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	\$ 6,704,375	\$6,136,121
Cash received from City of Albany, New York	1,942,520	1,542,395
Cash received from state grant	567,252	22,985
Cash paid to suppliers and other vendors	(2,669,190)	(3,654,853)
Cash paid for salaries, payroll taxes, and employee benefits	(3,534,410)	(3,153,922)
	3,010,547	892,726
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Interest income	92,703	24,447
Proceeds from sale of investments	-	150,405
	92,703	174,852
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(129,434)	(868,141)
Proceeds from sale of capital assets	22,058	20,104
Bond issuance costs	(141,631)	-
Proceeds from long-term debt and purchase finance agreements	4,411,251	795,344
Payments of long-term debt and purchase finance agreements	(1,530,112)	(1,810,013)
Interest paid	(211,895)	(272,310)
	2,420,237	(2,135,016)
Net increase (decrease) in cash and cash equivalents	5,523,487	(1,067,438)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	2,643,680	3,711,118
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 8,167,167	\$ 2,643,680
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 1,271,809	\$ 590,524
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	995,648	1,056,058
Bad debts	92,421	26,077
(Increase) decrease in		
Parking revenues receivable	(186,947)	(8,299)
Prepaid expenses and other	(21,702)	5,487
Due from City of Albany, New York	(75,790)	(609,920)
Due from New York State	310,457	(866,052)
Deferred outflows of resources	481,675	676,962
Lease receivable	114,462	111,105
Increase (decrease) in		
Accounts payable, accrued expenses, and unearned parking revenues	179,956	268,746
Net pension asset/liability	2,256,764	(630,626)
Deferred inflows of resources	1,058,049	(465,758)
Accrued postemployment health benefits	(3,466,255)	738,422
	\$ 3,010,547	\$ 892,726

See accompanying Notes to Financial Statements.

Albany Parking Authority

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

Notes to Financial Statements December 31, 2023 and 2022

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 of resources and deferred 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.

Albany Parking Authority

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

Notes to Financial Statements December 31, 2023 and 2022

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 Receivables, Lease Receivables, Due from the City of Albany New York and Due From New York State

The Authority determines the allowance for doubtful accounts based on management's evaluation of anticipated collectability of outstanding accounts and past collection experience. During the years ended December 31, 2023 and 2022, the Authority incurred bad debt expense totaling approximately \$92,400 and \$26,100, respectively. Additionally, the Authority has established an allowance for doubtful accounts of approximately \$42,900 and \$5,600 related to parking revenue receivables at December 31, 2023 and 2022, respectively.

The Authority has recorded a receivable and corresponding deferred inflow of resources for the net present value of future payments under a rental space lease agreement with the U.S. Post Office. See Note 5 for additional information on this agreement.

Amounts due from the City at December 31, 2023 and 2022 as further described in Note 8 are as follows:

	2023	2022
Parking enforcement receivables	\$ 765,909	\$ 353,420
American Rescue Plan	173,795	-
Downtown Revitalization Initiative grant	-	510,494
	\$ 939,704	\$ 863,914

Amounts due from New York State at December 31, 2023 and 2022 as further described in Note 9 are as follows:

	2023	2022
Riverfront Garage feasibility study	\$ 58,000	\$ -
Quackenbush Square	497,595	866,052
	\$ 555,595	\$ 866,052

Albany Parking Authority

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

Notes to Financial Statements December 31, 2023 and 2022

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

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. Leases

The Authority has entered into lease agreements as both a lessee and a lessor.

As a lessee, at the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured at the amount of the lease liability and, as applicable, plus lease payments made on or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

As a lessor, at the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted by the explicit or implicit interest rate in the agreement of the Authority's incremental borrowing rate at lease inception. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

h. 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.

i. 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.

j. 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.

Albany Parking Authority

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

Notes to Financial Statements December 31, 2023 and 2022

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

k. *Deferred Outflows of Resources 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 6. Other postemployment benefits related deferred outflows of resources and deferred inflows of resources are more fully disclosed in Note 7.

Gains or losses on the refunding of bonds are reported as deferred inflows of resources or deferred outflows of resources 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 5 for additional information on this agreement.

A summary of deferred outflows of resources and deferred inflows of resources as of December 31, 2023 and 2022 is presented as follows:

	<u>2023</u>	<u>2022</u>
Deferred outflows of resources		
Pension related	\$ 1,251,945	\$ 1,339,230
OPEB related	2,027,345	2,421,735
Debt refunding	114,338	122,123
	<u>\$ 3,393,628</u>	<u>\$ 3,883,088</u>
Deferred inflows of resources		
Pension related	\$ 187,924	\$ 2,255,583
OPEB related	5,504,499	2,264,329
Leases	58,522	172,984
	<u>\$ 5,750,945</u>	<u>\$ 4,692,896</u>

l. *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.”

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

Notes to Financial Statements
December 31, 2023 and 2022

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

m. Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported changes in net position.

n. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 22, 2024, the date the financial statements were available to be issued.

Note 2 - Capital Assets

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

	December 31, 2023 and 2022						
	Balance January 1, 2022	2022 Additions	2022 Disposals	Balance December 31, 2022	2023 Additions	2023 Disposals	Balance December 31, 2023
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	743,656	(1,020,340)	1,610,602	129,434	-	1,740,036
Meters and other equipment	1,358,653	-	-	1,358,653	-	-	1,358,653
Lease assets	-	-	-	-	301,957	-	301,957
Intangible assets	-	124,483	-	124,483	-	-	124,483
Total capital assets, depreciable	25,303,711	868,139	(1,020,340)	25,151,510	431,391	-	25,582,901
Accumulated depreciation	(17,540,961)	(1,056,058)	915,129	(17,681,890)	(995,648)	-	(18,677,538)
Net value of capital assets, depreciable	7,762,750	(187,919)	(105,211)	7,469,620	(564,257)	-	6,905,363
Total capital assets, net of accumulated depreciation	<u>\$ 11,537,431</u>	<u>\$ (187,919)</u>	<u>\$ (105,211)</u>	<u>\$ 11,244,301</u>	<u>\$ (564,257)</u>	<u>\$ -</u>	<u>\$ 10,680,044</u>

Note 3 - 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, 2023 and 2022						
	Balance January 1, 2022	2022 Additions	2022 Amortization/ Deletions	Balance December 31, 2022	2023 Additions	2023 Amortization/ Deletions	Balance December 31, 2023
Deferred loss on bond refunding, net (a)	\$ 170,172	\$ -	\$ (48,049)	\$ 122,123	\$ 40,944	\$ (48,729)	114,338

- (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 \$48,700 and \$48,000 for the years ended December 31, 2023 and 2022, respectively.

Albany Parking Authority

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Notes to Financial Statements December 31, 2023 and 2022

Note 4 - Long-Term Debt

A summary of long-term debt ending balances and transactions for the years ended December 31, 2023 and 2022, is as follows:

	Balance January 1, 2022	2022 Additions	2022 Reductions	Balance December 31, 2022	2023 Additions	2023 Reductions	Balance December 31, 2023
Bonds Payable							
Series 2011	\$ 3,130,000	\$ -	\$ (660,000)	\$ 2,470,000	\$ -	\$ (655,000)	\$ 1,815,000
Series 2018 A & B	3,260,000	-	(705,000)	2,555,000	-	(700,000)	1,855,000
Series 2023 A & B	-	-	-	-	4,240,000	-	4,240,000
Total	6,390,000	-	(1,365,000)	5,025,000	4,240,000	(1,355,000)	7,910,000
Unamortized bond discount	(20,159)	-	5,691	(14,468)	-	5,691	(8,777)
Unamortized bond premium	265,547	-	(74,978)	190,569	165,788	(81,467)	274,890
Total bonds payable	6,635,388	-	(1,434,287)	5,201,101	4,405,788	(1,430,776)	8,176,113
Purchase finance agreements	392,685	795,344	(375,726)	812,303	212,196	(255,009)	769,490
Total long-term debt	<u>\$ 7,028,073</u>	<u>\$ 795,344</u>	<u>\$ (1,810,013)</u>	<u>\$ 6,013,404</u>	<u>\$ 4,617,984</u>	<u>\$ (1,685,785)</u>	<u>\$ 8,945,603</u>

Bonds Payable

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

	December 31,	
	2023	2022
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	\$ 1,815,000	\$ 2,470,000
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	1,855,000	2,555,000
Parking revenue bonds, Series 2023A and 2023B, interest at 5.000% and 5.500% to 5.875%, respectively, payable semi-annually, principal due in various installments through 2038, collateralized by a lien on parking revenues	4,240,000	-
	<u>7,910,000</u>	<u>5,025,000</u>
Less current maturities	(1,685,000)	(1,355,000)
Less bond discounts	(8,777)	(14,468)
Add bond premiums	274,890	190,569
Long-term debt, less current maturities	<u>\$ 6,491,113</u>	<u>\$ 3,846,101</u>

Interest expense incurred on bonds payable totaled approximately \$283,100 and \$277,000 for the years ended December 31, 2023 and 2022, respectively.

Albany Parking Authority

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Notes to Financial Statements December 31, 2023 and 2022

Note 4 - Long-Term Debt - Continued

Bonds Payable

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

	Principal	Interest	Total
For the year ending December 31,			
2024	\$ 1,685,000	\$ 360,126	\$ 2,045,126
2025	2,540,000	323,872	2,863,872
2026	380,000	195,394	575,394
2027	400,000	176,394	576,394
2028	420,000	156,394	576,394
2029 - 2033	1,415,000	492,269	1,907,269
2034 - 2038	1,070,000	194,150	1,264,150
	\$ 7,910,000	\$ 1,898,599	\$ 9,808,599

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,	
	2023	2022
Financing for the purchase of multi-space meters, monthly payments of \$16,019 including interest of 3.06%, fully repaid as of February 2023.	\$ -	\$ 32,037
Financing for the purchase of single-space meters, monthly payments of \$2,993 including interest of 1.56%, and maturity date of December 2026.	604,123	805,497
Financing for the purchase of signage, quarterly payments of \$3,647, including interest of 10.26%, and maturity date of October 2028.	72,947	-
Financing for the purchase of various equipment, quarterly payments of \$8,794, including interest of 4.77%, and maturity date of October 2027.	131,915	-
	808,985	837,534
Less amount representing interest	39,495	25,231
Present value of long-term obligation under purchase finance agreements	\$ 769,490	\$ 812,303

Albany Parking Authority

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Notes to Financial Statements December 31, 2023 and 2022

Note 4 - Long-Term Debt - Continued

Purchase Finance Agreements - Continued

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

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
For the year ending December 31,			
2024	\$ 225,043	\$ 14,870	\$ 239,913
2025	237,771	12,808	250,579
2026	243,445	7,696	251,141
2027	46,535	3,232	49,767
2028	16,696	889	17,585
	<u>\$ 769,490</u>	<u>\$ 39,495</u>	<u>\$ 808,985</u>

Interest expense on purchase financing arrangements for the years ended December 31, 2023 and 2022 was approximately \$23,200 and \$17,900, respectively.

Note 5 - Leases

Lessee Transactions

The Authority has a lease agreement for office space. A summary of future minimum principal and interest payments is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,			
2024	\$ 54,703	\$ 13,457	\$ 68,160
2025	57,525	10,635	68,160
2026	60,492	7,668	68,160
2027	63,612	4,548	68,160
2028	55,510	1,290	56,800
	<u>\$ 291,842</u>	<u>\$ 37,598</u>	<u>\$ 329,440</u>

Lessor Transactions

The Authority has a lease agreement for certain parking spaces. A summary of future minimum rental receivables and related lease interest under the lease agreement is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31, 2024	<u>\$ 58,522</u>	<u>\$ 878</u>	<u>\$ 59,400</u>

Albany Parking Authority

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Notes to Financial Statements December 31, 2023 and 2022

Note 6 - 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.

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:

2023	\$	249,181
2022		201,514
2021		264,812

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, 2023 and 2022, the Authority reported a net pension liability of approximately \$1,633,400 and a net pension asset of approximately \$623,400, for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of March 31, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension asset/liability was determined by actuarial valuations as of April 1, 2022 and 2021, 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, 2023 and 2022, the Authority's proportion was 0.0076171% and 0.0076255%, respectively.

Albany Parking Authority

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Notes to Financial Statements December 31, 2023 and 2022

Note 6 - Pension Plans - Continued

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

For the years ended December 31, 2023 and 2022, the Authority recognized pension expense of \$525,351 and pension income of \$13,472, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31, 2023 and 2022:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 173,971	\$ 45,872	\$ 47,207	\$ 61,231
Changes of assumptions	793,290	8,767	1,040,305	17,554
Net differences between projected and actual investment earnings on pension plan investments	-	9,596	-	2,041,217
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,503	123,689	50,204	135,581
Authority contributions subsequent to the measurement date	249,181	-	201,514	-
Total	<u>\$ 1,251,945</u>	<u>\$ 187,924</u>	<u>\$ 1,339,230</u>	<u>\$ 2,255,583</u>

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, 2023. 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,	
2024	\$ 179,163
2025	(112,055)
2026	313,410
2027	434,322
Total	<u>\$ 814,840</u>

d. Actuarial Assumptions

The total pension liability at March 31, 2023 and 2022 was determined by using an actuarial valuation as of April 1, 2022 and April 1, 2021, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2023 and March 31, 2022. The actuarial valuation used the following actuarial assumptions. The assumptions are consistent year to year, except as noted:

Actuarial Cost Method	Aggregate Cost Method
Inflation rate	
2023	2.9%
2022	2.7%
Salary scale	4.4%, indexed by service
Investment rate of return, including inflation	5.9%, compounded annually, net of investments

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Notes to Financial Statements December 31, 2023 and 2022

Note 6 - Pension Plans - Continued

d. Actuarial Assumptions - Continued

Cost of living adjustment	
2023	1.5%
2022	1.4%
Decrement	Based on FY 2016-2020 experience
Mortality improvement	System Experience and SOA Scale MP-2020

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.

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%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.00%
	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.

Albany Parking Authority

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Notes to Financial Statements December 31, 2023 and 2022

Note 6 - Pension Plans - Continued

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

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2023 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, 2023, 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)	\$ 3,947,256	\$ 1,633,412	\$ (300,074)

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):

	2023	2022
Employers' total pension liability	\$ 232,627,259	\$ 223,874,888
Plan net position	<u>(211,183,223)</u>	<u>(232,049,473)</u>
Employers' net pension liability (asset)	<u>\$ 21,444,036</u>	<u>\$ (8,174,585)</u>
Ratio of plan net position to the employers' total pension liability	<u>90.78%</u>	<u>103.65%</u>

Note 7 - 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, 2023 and 2022 (using measurement dates of January 1, 2023 and 2022, respectively) is as follows:

	2023	2022
Active employees	42	39
Retirees and survivors	<u>7</u>	<u>7</u>
Total	<u>49</u>	<u>46</u>

Albany Parking Authority

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

Notes to Financial Statements December 31, 2023 and 2022

Note 7 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

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, 2023 and 2022, the Authority paid approximately \$89,500 and \$79,000, 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.

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

At December 31, 2023 and 2022, the Authority reported an OPEB liability of approximately \$5,202,000 and \$8,668,300, respectively. The OPEB liability was measured as of December 31, 2023 and 2022 by actuarial valuations as of January 1, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, the Authority recognized OPEB expense of approximately \$708,900 and \$817,500, respectively. The Authority reported the following deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31st:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 3,871,702	\$ -	\$ 1,853,953
Differences between expected and actual experience	1,937,442	1,632,797	2,332,269	410,376
Authority contributions subsequent to the measurement date	89,903	-	89,466	-
Total	<u>\$ 2,027,345</u>	<u>\$ 5,504,499</u>	<u>\$ 2,421,735</u>	<u>\$ 2,264,329</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2023. 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,	
2024	\$ (450,723)
2025	(450,723)
2026	(450,723)
2027	(419,971)
2028	(448,662)
Thereafter	<u>(1,346,255)</u>
Total	<u>\$ (3,567,057)</u>

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Notes to Financial Statements December 31, 2023 and 2022

Note 7 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

d. *Methods and Assumptions*

The total OPEB liability in the December 31, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	January 1, 2023
Measurement date	January 1, 2023 and January 1, 2022
Actuarial cost method	Entry age normal - level percent of pay (2023 and 2022)
Discount rate	3.72% (2023) 2.06% (2022) Source: Bond Buyer Weekly 20-Bond GO Index
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model (2022 and 2021)
Salary scale	2.75% (2022 and 2021)
Rate of inflation	2.75% (2023) 2.50% (2022)
Mortality - actives	Pub-2010 Mortality Table for employees: sex distinct, job category specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis (2023). 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).
Mortality - retirees	Pub-2010 Mortality Table for healthy retirees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvement scale on a generational basis (2023). 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).
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System and the New York State Teachers' Retirement System as based on the experience study released by the Retirement Systems Actuary and published in their August 2020 report (New York State & Local Retirement System) and October 2021 report (New York State Teachers' Retirement System) (2023). Rates of decrement due to turnover based on the experience under the New York State and 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).
Election percentage	100% - retiree (2023 and 2022) 90% - retiree's spouse (2023 and 2022) 0% - surviving spouse (2023 and 2022)
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 (2023 and 2022)

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Notes to Financial Statements December 31, 2023 and 2022

Note 7 - Postemployment Benefits Other Than Pensions (OPEB) - Continued

e. Changes in the OPEB Liability

	2023	2022
Balance, beginning of the year	\$ 8,668,254	\$ 7,929,832
Changes for the year		
Service cost	520,562	537,527
Interest	188,369	178,670
Differences between expected and actual experience	(2,603,965)	-
Changes in assumptions and other inputs	(1,481,755)	101,255
Benefit payments	(89,466)	(79,030)
Balance, end of the year	\$ 5,201,999	\$ 8,668,254

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, 2023 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	\$ 4,290,721	\$ 5,201,999	\$ 6,393,748

The following presents the OPEB liability as of December 31, 2023 calculated using the discount rate of 3.72%, 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 2.72%	Current Discount 3.72%	1% Increase 4.72%
Accrued postemployment health benefits	\$ 6,207,226	\$ 5,201,999	\$ 4,401,784

Note 8 - 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, 2027. 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.

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Notes to Financial Statements December 31, 2023 and 2022

Note 8 - Transactions with the City

The agreement also requires the City to annually pay the costs incurred by the Authority associated with enforcement 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 operating expenses incurred by the Authority under this agreement during 2023 and 2022, amounted to approximately \$2,193,000 and \$1,848,600, respectively. Total licensing fees incurred by the Authority during 2023 totaled \$200,000. There were no licensing fees incurred by the Authority in 2022. The City owed the Authority approximately \$765,900 and \$353,400 at December 31, 2023 and 2022, 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, project costs incurred totaled approximately \$511,500, resulting in approximately \$510,500 outstanding from the City at December 31, 2022.

During April 2022, the City and Authority signed an agreement whereby the Authority would receive funding associated with the City's receipt of funding from the American Rescue Plan. The funding required the Authority to install and enhance lighting at five parking locations and the installation of certain cameras in wireless security equipment. Project costs began in 2023 and totaled approximately \$173,800. The Authority has reported a receivable for the same amount at December 31, 2023.

Note 9 - Transactions with the State

In March 2020, the Authority entered into an agreement with the State for certain project costs related to Quackenbush Square. The agreement allowed for a maximum funding amount of \$900,000. Project costs incurred in 2022 total approximately \$866,100. The Authority has reported a receivable of approximately \$497,600 and \$866,100 related to this agreement at December 31, 2023 and 2022, respectively.

In July 2023, the Authority entered into an agreement with Empire State Development for a feasibility study and market analysis to examine the rehabilitation or replacement of an existing garage operated by the Authority. Project costs incurred totaled \$58,000 during 2023. The Authority has reported a receivable for the same amount at December 31, 2023.

Note 10 - Accounting Pronouncement Issued But Not Yet Implemented

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,

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Notes to Financial Statements December 31, 2023 and 2022

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

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 (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.

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Notes to Financial Statements December 31, 2023 and 2022

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

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.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability/asset	0.0076171%	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)	\$ 1,633,412	\$ (623,352)	\$ 7,274	\$ 1,833,455	\$ 495,395	\$ 228,276	\$ 600,192	\$ 769,869	\$ 121,453
Authority's covered-employee payroll	\$ 2,178,081	\$ 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	74.99%	-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	90.78%	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.

Albany Parking Authority
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Required Supplementary Information
Schedule of Local Government Pension Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 249,181	\$ 201,514	\$ 264,812	\$ 228,851	\$ 228,096	\$ 219,121	\$ 212,994	\$ 211,462	\$ 223,476	\$ 143,412
Contributions in relation to the contractually required contribution	249,181	201,514	264,812	228,851	228,096	219,121	212,994	211,462	223,476	143,412
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	2,178,081	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
Contribution as a percentage of covered-employee payroll	11.44%	10.27%	14.17%	13.26%	13.63%	14.00%	13.74%	14.16%	14.31%	17.97%

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Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2023	2022	2021	2020	2019	2018
Balance, beginning of the year	\$ 8,668,254	\$ 7,929,832	\$ 8,430,724	\$ 6,089,727	\$ 6,751,494	\$ 5,861,854
Changes for the year						
Service cost	520,562	537,527	386,395	275,441	290,903	271,212
Interest	188,369	178,670	240,871	259,960	241,271	230,865
Changes in assumptions and other inputs	(1,481,755)	101,255	1,069,235	-	(767,228)	438,618
Differences between expected and actual experience	(2,603,965)	-	(2,145,005)	1,854,943	(369,348)	-
Benefit payments	(89,466)	(79,030)	(52,388)	(49,347)	(57,365)	(51,055)
Net changes for the year	<u>(3,466,255)</u>	<u>738,422</u>	<u>(500,892)</u>	<u>2,340,997</u>	<u>(661,767)</u>	<u>889,640</u>
Balance, end of the year	<u>\$ 5,201,999</u>	<u>\$ 8,668,254</u>	<u>\$ 7,929,832</u>	<u>\$ 8,430,724</u>	<u>\$ 6,089,727</u>	<u>\$ 6,751,494</u>
Covered payroll	1,649,248	1,930,265	1,835,346	1,670,844	1,586,614	1,587,911
Liability as a percentage of covered payroll	315.42%	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.

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Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2023							Total
	Garage #1	Garage #2	Garage #3	Parking Meters	Surface Lots	Office/ Administration	Enforcement	
OPERATING REVENUES	\$ 1,327,665	\$ 1,598,283	\$ 822,559	\$ 2,793,658	\$ 230,238	\$ 256,795	\$ 2,018,310	\$ 9,047,508
OPERATING EXPENSES								
Salaries and benefits expense	206	2,137	6,536	129,723	-	1,942,568	1,897,935	3,979,105
Repairs and maintenance	45,955	112,697	225,889	2,000	333,871	40,670	148,834	909,916
Utilities	24,937	17,554	48,791	-	-	-	-	91,282
Professional fees	-	-	-	-	-	194,639	6,529	201,168
Depreciation	194,418	259,776	281,232	174,611	-	79,389	6,222	995,648
Meter supplies and equipment	-	-	-	30,054	-	-	-	30,054
Licensing fees	-	-	-	200,000	-	-	-	200,000
Bad debt	-	8,500	17,500	66,421	-	-	-	92,421
Insurance	-	-	-	-	-	61,757	-	61,757
Computerization	2,003	9,471	2,250	138,004	4,664	124,291	2,047	282,730
Credit card fees	23,344	22,076	19,223	167,466	5,666	-	-	237,775
Project costs	-	-	75,342	-	-	866	-	76,208
Miscellaneous	2,978	4,505	29,204	13,731	41,163	394,612	131,442	617,635
Total operating expenses	<u>293,841</u>	<u>436,716</u>	<u>705,967</u>	<u>922,010</u>	<u>385,364</u>	<u>2,838,792</u>	<u>2,193,009</u>	<u>7,775,699</u>
Operating income (loss)	<u>1,033,824</u>	<u>1,161,567</u>	<u>116,592</u>	<u>1,871,648</u>	<u>(155,126)</u>	<u>(2,581,997)</u>	<u>(174,699)</u>	<u>1,271,809</u>
NONOPERATING REVENUE (EXPENSES)								
Interest income	29,455	33,793	29,455	-	-	-	-	92,703
Bond issuance costs	(47,210)	(47,210)	(47,211)	-	-	-	-	(141,631)
Amortization of bond insurance premiums and deferred losses	(16,243)	(16,243)	(16,243)	-	-	-	-	(48,729)
Interest expense	(74,972)	(73,087)	(77,966)	(3,363)	(8,438)	-	-	(237,826)
Gain on disposal of capital assets	1,625	1,625	1,625	56	-	17,127	-	22,058
Allocation of administration expenses	(523,772)	(532,348)	(540,925)	(681,698)	(419,603)	2,698,346	-	-
Total nonoperating revenue (expenses)	<u>(631,117)</u>	<u>(633,470)</u>	<u>(651,265)</u>	<u>(685,005)</u>	<u>(428,041)</u>	<u>2,715,473</u>	<u>-</u>	<u>(313,425)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 402,707</u>	<u>\$ 528,097</u>	<u>\$ (534,673)</u>	<u>\$ 1,186,643</u>	<u>\$ (583,167)</u>	<u>\$ 133,476</u>	<u>\$ (174,699)</u>	<u>\$ 958,384</u>

See Independent Auditor's Report.

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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	<u>578,060</u>	<u>506,539</u>	<u>997,856</u>	<u>807,199</u>	<u>95,043</u>	<u>3,738,579</u>	<u>1,848,624</u>	<u>8,571,900</u>
Operating income (loss)	<u>667,788</u>	<u>1,007,145</u>	<u>257,803</u>	<u>1,612,395</u>	<u>101,738</u>	<u>(2,849,542)</u>	<u>(206,803)</u>	<u>590,524</u>
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)	<u>(621,848)</u>	<u>(635,425)</u>	<u>(634,700)</u>	<u>(662,679)</u>	<u>(408,755)</u>	<u>2,614,076</u>	<u>-</u>	<u>(349,331)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 45,940</u>	<u>\$ 371,720</u>	<u>\$ (376,897)</u>	<u>\$ 949,716</u>	<u>\$ (307,017)</u>	<u>\$ (235,466)</u>	<u>\$ (206,803)</u>	<u>\$ 241,193</u>

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, 2023							
	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	473,023	370,287	275,412	-	22,872	231,394	367,048	1,740,036
Meters and other equipment	-	-	-	1,358,653	-	-	-	1,358,653
Intangible assets	39,838	51,039	33,606	-	-	-	-	124,483
Lease assets	-	-	-	-	-	301,957	-	301,957
	<u>5,808,217</u>	<u>10,260,668</u>	<u>11,006,773</u>	<u>1,358,653</u>	<u>22,872</u>	<u>533,351</u>	<u>367,048</u>	<u>29,357,582</u>
Less accumulated depreciation	<u>5,039,650</u>	<u>6,631,640</u>	<u>5,199,568</u>	<u>1,300,556</u>	<u>22,872</u>	<u>198,688</u>	<u>284,564</u>	<u>18,677,538</u>
Net capital assets	<u>\$ 768,567</u>	<u>\$ 3,629,028</u>	<u>\$ 5,807,205</u>	<u>\$ 58,097</u>	<u>\$ -</u>	<u>\$ 334,663</u>	<u>\$ 82,484</u>	<u>\$ 10,680,044</u>

	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	-	-	-	1,358,653	-	-	-	1,358,653
Intangible assets	39,838	51,039	33,606	-	-	-	-	124,483
	<u>5,778,583</u>	<u>10,238,067</u>	<u>10,994,782</u>	<u>1,358,653</u>	<u>22,872</u>	<u>231,394</u>	<u>301,840</u>	<u>28,926,191</u>
Less accumulated depreciation	<u>4,845,231</u>	<u>6,371,864</u>	<u>4,918,335</u>	<u>1,125,947</u>	<u>22,872</u>	<u>119,299</u>	<u>278,342</u>	<u>17,681,890</u>
Net capital assets	<u>\$ 933,352</u>	<u>\$ 3,866,203</u>	<u>\$ 6,076,447</u>	<u>\$ 232,706</u>	<u>\$ -</u>	<u>\$ 112,095</u>	<u>\$ 23,498</u>	<u>\$ 11,244,301</u>

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**

Independent Auditor's Report

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, 2023, 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 22, 2024.

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 2023-001 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 results 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

Latham, New York
March 22, 2024



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

Schedule of Findings and Responses
Year Ended December 31, 2023

2023-001. Accounting and Financial Reporting

Criteria: The Authority is required to maintain its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition and cause: Due to transition within management and the Authority's accounting function, the Authority's financial statements required material adjustments during the audit to comply with U.S. GAAP. These adjustments included:

- Adjustments to remove an additional month of depreciation taken on capital assets during 2023, in addition to properly reporting the gain on disposal of assets during 2023.
- Adjustments to remove errors within the Authority's parking revenue billing system. Revenue related to the year ending December 31, 2024 was incorrectly reported as parking revenue receivables and unearned parking revenues within the year ended December 31, 2023.
- Adjustments to the deferred outflows of resources, liabilities, and deferred inflows of resources to reflect the actuarially determined estimates of the Authority's participation in the New York State and Local Retirement System and employer funded other postemployment benefits.
- Adjustments to properly report the Authority's leasing activity as both a lessor and lessee in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.
- Adjustments to reflect proper cutoff of expenses under the accrual basis of accounting required by U.S. GAAP within both prepaid expenses and accounts payable and accrued expenses.
- Adjustments to properly reflect the Authority's issuance of Parking System Revenues Bonds Series 2023A and 2023B, including reflecting the liability related to the premium on each issuance.
- Adjustments to properly reflect the Authority's accrued interest liability and related interest expense at year end.
- Adjustments to properly reflect the twelve months of payment activity on the Authority's purchase finance agreements.
- Adjustments to correct billing errors and to properly report the allowance for doubtful accounts on parking revenues receivable at year end.
- Adjustments to reflect Federal and State grant activity, including the proper reporting of cash receipts during 2023 related to the Quackenbush Square and Downtown Revitalization Initiative grants. Additionally, adjustments to reflect the receivable and revenues related to American Rescue Plan and Riverfront Garage feasibility study.

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.