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CONVENTION
CENTER
AUTHORITY

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2024 and 2023

ALBANY CONVENTION CENTER AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Albany Convention Center Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Albany Convention Center Authority (the "Authority"), a component unit of the State of New York, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Albany Convention Center Authority, as of December 31, 2024 and 2023, and the respective changes in financial position and 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 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 Albany Convention Center Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated 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 Albany Convention Center 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Albany Convention Center 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 Albany Convention Center 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 the management's discussion and analysis on pages 3 to 9 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 consolidated 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 consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the Albany Convention Center 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 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 Albany Convention Center 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 Albany Convention Center Authority's internal control over financial reporting and compliance.

UHY LLP

Albany, New York
March 28, 2025

The following is a discussion and analysis of the Albany Convention Center Authority, and its financial statements that reflect the financial activity that took place during the year ended December 31, 2024.

Authority Background

The Albany Convention Center Authority (ACCA) was created on September 21, 2004, by the enactment of Title 28-BB of the Public Authorities Law (Chapter 468 of the Laws of 2004). The general purpose of the ACCA is to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage, and maintain a convention facility located in the City of Albany (the Project).

The Authority Board consists of nine members, three are appointed by the Governor of New York State, one is appointed by the Temporary President of the Senate, one is appointed by the Speaker of the Assembly, two are appointed by the Albany County Executive, with the advice and consent of the County Legislature and two are appointed by the Mayor of the City of Albany, with the advice and consent of the Common Council. All members of the board shall serve at the pleasure of their appointing authority. As of January 1, 2025, all appointed positions are filled.

Significant activities during 2024 were as follows:

The Albany Capital Center (ACC):

At the beginning of 2024, January generally starts the year off with a lighter calendar. After a financial record-breaking year and event days, 2024 ended on a high note.

Post pandemic as with other venues in the nation, the convention industry has recovered but slightly modified from pre-pandemic experiences. The ASM Albany operating team is leading the way in attending to the detail required and expected by the event planners and clients contracting the space. Compression is real. Many events are realizing that multi-year bookings are the only option to securing future dates. As always, our focused efforts are on sports, meetings, and conventions which garner the highest economic impact not only for the venue, but for the city, county and state we serve.

2024 ACC Event Summary:

- 186 Events
- 325 Event days
- 92,692 Attendees
- 14,750 Hotel Room Nights

2025 Event Calendar as of January 9, 2025:

- 102 Events
- 187 Event Days
- 62,917 Attendees
- 9,161 Hotel Room Nights
- 30 Event Contracts Pending

The Albany Capital Center (ACC) (continued):

2026 Event Calendar as of January 9, 2025:

- 19 Events
- 49 Event Days
- 16,639 Attendees
- 5,653 Hotel Room Nights
- 9 Event Contracts Pending

The success of the Albany Capital Center in both marketing and operations is directly attributable to ASM Global onsite staff, whose focus is on booking events within the 12–24-month period. In partnership with Discover Albany and leads generated through ASM Global, long lead events (those beyond 24 months) are vetted and responded too appropriately.

The ACCA, through strategic underwriting and partnership, supports Discover Albany as the Albany County Destination Marketing Organization who promotes Albany as a destination and that of Albany County as the hub of the Capital Region.

The survey process in place since 2018 obtains feedback on event experience. Following each event, ASM Global issues a survey to all attendees and meeting planners and shares the results with the ACCA Board on an annual basis. In so doing the performance of the ASM Global staff, the exclusive caterer, and preferred vendors including those for audio/visual, and decorating is measured by these metrics as a means of determining the Performance/Productivity and Quality Incentive Fee portion, if any, that would be payable to ASM Global Albany annually.

Those metrics directly related to the Performance/Productivity and Quality Incentive Fee are presented to the Economic Impact Committee for a recommendation to the ACCA Board.

Certain of the qualifications, related to operations budget performance and other qualitative metrics, ASM Global Albany was paid a Performance/Productivity and Quality Incentive Fee for FY 2024. In accordance with the contract, the base fee was adjusted for inflation and paid in full.

The Albany Convention Center Authority (ACCA):

To accurately assess the economic impact that the Albany Capital Center has upon the Capital Region, in 2017 the ACCA established the Economic Impact Committee, comprised of ACCA Board Members and Staff, and entered a Memorandum of Understanding (MOU) with the Albany County Convention and Visitors Bureau (ACCVB) a/k/a Discover Albany to provide an independent third-party review of the actual economic impacts resulting from events held at the ACC. Discover Albany staff meets with the Economic Impact Committee and reports to the ACCA Board on a quarterly basis and the resulting information is posted to the ACCA Website, distributed to stakeholders, and presented at the public meetings of the ACCA Board.

The Albany Convention Center Authority (ACCA) (continued):

From the ACC booking reports and data from hotels, ASM Global and event organizers, Discover Albany inputs the data into Destinations International's Economic Impact Calculator (EIC), a recognized and respected standard analysis tool for the hospitality industry. The EIC Report generated is the sum of visitor, meeting planner, and exhibitor spending and forms the basis for the summary provided to the ACCA including visitor count, hotel room nights, sales tax receipts and Full Time Equivalent (FTE) jobs generated.

The ACCA tracks performance and measures the impact upon the local and regional economy, as a critical component of its mission is to provide significant economic and social benefits to the City of Albany, Albany County, and the Capital Region. Utilizing the economic indicators provided by Discover Albany, the Albany Capital Center has, since opening March 1, 2017, generated the following as reported on January 27, 2025:

- Total Visitor Spending **$92,015,838**
- Sales Tax:
  - NY State Sales Taxes: $4,741,663
  - Albany County Sales Taxes: $5,257,425
  - Total Sales Tax Collected related to events at the ACC: **$9,999,088**
- Attendees **601,745**
- Hotel Room Nights **128,779**
- Events **1,133**
- Full Time Equivalent Jobs supported by The ACC Events **28,371**

For 2024, the ACCA share of the Albany County Hotel/Motel Occupancy Tax (HOT) continued at 3/6ths (3 points) of the total county receipts from the 6% tax charged to hotel guests. The tax was renewed in 2020 by the State of New York as part of its budget process and has been extended to December 31, 2024.

The tax was renewed by NYS and Albany County late 2024 and included a .5% increase allocated to the County Economic Development agency which required a new formula for splitting up the receipts. The ACCA with this new legislation will receive $5/13^{th}$ of the total county receipts post-administrative fee (if applicable) which doesn't negatively impact the amounts going forward. This new legislation also is in effective for a three-year period rather than a two- or one-year agreement in previous iterations.

In FY 2024 the receipts increased directly due to increases in both occupancy and room rate such that the total of the Occupancy Tax receipts to the ACCA were approximately 132% of the budgeted amount.

The distributions from Albany County in each quarter served to cover the operating losses incurred by the Albany Capital Center, cover expenses incurred by the ACCA, and fund and establish reserves. It is important to note that post-pandemic, ASM Global Albany has worked to reduce the deficit year over year through additional revenues and efficient operations of the building. The remaining funding after closing the operating gap is invested to fund operating reserves in accordance with our operating contract with ASM Global Albany and used to fund capital improvements, future projects, and walkway reserves necessary to maintain the facility in good order. Reserve amounts are budgeted on an annual basis.

Other Significant Activities:

The ACCA remains committed to maintaining the efficiency and appearance of the Albany Capital Center in recognition of the significant investment by New York State and the important ongoing funding source that is the ACCA share of the Albany County Hotel/Motel Occupancy Tax.

During FY 2024 the ACCA underwrote the following capital improvement projects

- Soft Surface upgrades throughout the facility
- Flooring replacement throughout the entrances and event space in the facility.
- Lobby entrance walk off carpet system
- Main Entrance Gutter improvements
- Kitchen upgrades
- HVAC replacement work
- New LED wall installation
- New event inventory including podiums, tables, and stanchions
- New maintenance equipment
- Upgraded lighting interior and exterior (flagpole)
- Four new water bottle fill stations
- New exterior bike racks

ACCA has engaged Baker PR as its marketing and public relations partner. Through coordinated efforts with their team and working with ASM Global, the ACCA is furthering the venues representation and elevating the mission and work of the authority to promote transparency, partnership and community outreach. In addition, the ACCA sought opportunities to participate in industry trades publications and support our partner community organizations.

Overview of the Financial Statements:

The financial statements provide summary information about the ACCA's 2024 and 2023 operations including net position. The notes provide explanation and additional details about the financial statements.

The ACCA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and Government Accounting Standards Board (GASB). Revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

Net Position:

	December 31, 2024	December 31, 2023	$ Change
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 3,260,542	$ 1,788,296	$ 1,472,246
Certificates of deposit	7,755,750	7,051,090	704,660
Accounts receivable	795,528	517,059	278,469
Due from County of Albany, New York	1,668,132	1,382,476	285,656
Prepaid expenses and other	911,139	146,680	764,459
Total current assets	14,391,091	10,885,601	3,505,490
NONCURRENT ASSETS			
Capital assets, net of accumulated depreciation	65,903,800	67,359,898	(1,456,098)
Total assets	80,294,891	78,245,499	2,049,392
DEFERRED OUTFLOWS OF RESOURCES	76,828	64,947	11,881
Total assets and deferred outflows of resources	$80,371,719	$78,310,446	$ 2,061,273
LIABILITIES			
Accounts payable and accrued expenses	$ 455,592	$ 293,666	$ 161,926
Deferred revenue	437,034	306,652	130,382
Accrued wages and employee benefits	2,136	13,054	(10,918)
Total current liabilities	894,762	613,372	281,390
NONCURRENT LIABILITIES			
Net pension liability	-	16,137	(16,137)
OPEB obligation	119,357	104,986	14,371
Total liabilities	1,014,119	734,495	279,624
DEFERRED INFLOWS OF RESOURCES	15,515	12,670	2,845
NET POSITION	79,342,085	77,563,281	1,778,804
Total liabilities, deferred inflows of resources and net position	$80,371,719	$78,310,446	$ 2,061,273

Significant Changes to Net Position:

- The increase in cash and cash equivalents and increases in certificates of deposit were the result of intentional investment in existing and new CDARS to the financial portfolio to gain interest income and set aside reserves for future operations and capital improvements. The direct increase in the cash and cash equivalents is due to expiration dates of existing CDARS.

- The decrease of approximately $1.4 million in capital assets is primarily a result of depreciation.

- Due from County of Albany increase is due to the increase in HOT receipts from an increase in occupancy and average daily rate in the County.

Revenue and Expenses:

	2024	2023	$ Change
Revenues	$ 2,711,266	$ 2,336,485	$ 374,781
Expenses			
Salary and wages	151,242	136,826	14,416
Fringe benefits	61,883	4,133	57,750
Insurance	109,695	111,045	(1,350)
Office and other expense	100,816	41,045	59,771
Professional fees	297,785	176,444	121,341
Contractual services	3,608,823	3,270,603	338,220
Depreciation expense	2,143,100	2,268,581	(125,481)
Total expenses	6,473,344	6,008,677	464,667
Operating loss	(3,762,078)	(3,672,192)	(89,886)
Appropriations and other revenues			
Hotel-Motel Occupancy Tax	5,207,226	4,560,634	646,592
Interest income	333,565	260,747	72,818
Other	91	-	91
Total appropriations and other revenue	5,540,882	4,821,381	719,501
Change in net position	1,778,804	1,149,189	629,615
Total net position beginning of year	77,563,281	76,414,092	1,149,189
Total net position end of year	$79,342,085	$77,563,281	$ 1,778,804

Significant Changes to Revenues and Expenses and Appropriations and Other Revenues:

- Fringe benefits were due to an additional employee and the addition of contractual health care coverage. The previous Executive Director retired, and the Authority is obligated to pay for retirement health care for that individual as well.
- Professional legal fee increase was due to an employee transition, an active lawsuit, and legal consultation for potential expansion. There was also an increase in public relations, marketing and community sponsorship for 2024.
- The contractual services increase was primarily due to additional staff for ASM Global/Albany for operating, repairs and maintenance that was due, increases in insurance and utilities.
- Appropriations and other revenues show an increase in 2024 due to higher than budgeted hotel occupancy tax and interest income earned.

Currently Known Facts and Circumstances:

- The Albany County Hotel Motel Occupancy Tax currently resides with the NYS Budget and has been renewed for three years beginning in 2025. There has been a formula change to the legislation to include another entity as part of the distribution of receipts. The new legislation increased the tax from 6% to 6.5% to accommodate the additional entity resulting in the amount of funding received by the ACCA to remain consistent. The expected addition of the short-term rental legislation that has been approved by NYS still needs legislative approval from Albany County will also increase the receipts paid to the ACCA as part of the overall formula.

- The ACCA in 2024 completed a full facility (front of house) upgrade to the flooring and soft surfaces. The result of this investment will enable the facility to maintain its "affordable luxury" brand furthering its efforts to maintain current clients and attract new NYS and Northeast clients to Albany and Albany County.

- The ACCA is currently working on a plan to expand the Albany Capital Center to 126 State Street. In 2024, the authority entered an "option to lease" agreement with Community Initiatives Development Corporation (CIDC) to explore this expansion opportunity. The expansion has been contemplated since 2017 when the facility opened, knowing at that time that the footprint was too small to compete on a larger national scale. This expansion will result in almost 50,000 additional square feet that will include additional meeting rooms, a historic ballroom, and a 10,000 square foot exhibition space to complement the current offerings in the existing facility. The buildings will be connected by a large open space/walkway across Howard Street connecting the meeting rooms and pre-function spaces. The ACCA is currently working on the financing aspects of this project and concurrently going through the pre-development and planning process in partnership with CIDC. Our industry consultant HVS has completed market studies for the ACCA since the authority was established and has provided updates throughout the years. In 2024, we authorized an additional study post pandemic to confirm the market demand and future operating capacity to take on debt payments to support the expansion.

- The Albany Capital Center has won numerous industry awards in 2024. Those awards are a direct reflection of the investment, the maintenance, and the tremendous work by the ASM Global/Albany operating team and their dedication to their trade.

ALBANY CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
STATEMENTS OF NET POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,260,542	$ 1,788,296
Certificates of deposit	7,755,750	7,051,090
Accounts receivable	795,528	517,059
Due from County of Albany, New York	1,668,132	1,382,476
Prepaid expenses and other	911,139	146,680
Total current assets	14,391,091	10,885,601
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	65,903,800	67,359,898
Total assets	80,294,891	78,245,499
DEFERRED OUTFLOWS OF RESOURCES	76,828	64,947
Total assets and deferred outflows of resources	$ 80,371,719	$ 78,310,446
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 455,592	$ 293,666
Deferred revenue	437,034	306,652
Accrued wages and employee benefits	2,136	13,054
Total current liabilities	894,762	613,372
NONCURRENT LIABILITIES		
Net pension liability	-	16,137
OPEB obligation	119,357	104,986
Total noncurrent liabilities	119,357	121,123
Total liabilities	1,014,119	734,495
DEFERRED INFLOWS OF RESOURCES	15,515	12,670
NET POSITION		
Net investment in capital assets	65,903,772	67,359,898
Unrestricted	13,438,313	10,203,383
Total net position	79,342,085	77,563,281
Total liabilities, deferred inflows of resources and net position	$ 80,371,719	$ 78,310,446

See notes to financial statements.

ALBANY CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues	**$ 2,711,266**	$ 2,336,485
Expenses		
Salaries and wages	**151,242**	136,826
Fringe benefits	**61,883**	4,133
Insurance	**109,695**	111,045
Office and other expense	**100,816**	41,045
Professional fees	**297,785**	176,444
Contractual services (Note 9)	**3,608,823**	3,270,603
Depreciation	**2,143,100**	2,268,581
Total expenses	**6,473,344**	6,008,677
Operating loss before appropriations and other revenues	**(3,762,078)**	(3,672,192)
Appropriations and other revenues		
Hotel-Motel Occupancy Tax	**5,207,226**	4,560,634
Interest income	**333,565**	260,747
Other revenue	**91**	-
Total appropriations and other revenues	**5,540,882**	4,821,381
Change in net position	**1,778,804**	1,149,189
Total net position, beginning of year	**77,563,281**	76,414,092
Total net position, end of year	**$ 79,342,085**	$ 77,563,281

See notes to financial statements.

ALBANY CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from services	$ 2,563,179	$ 2,488,784
Personal service payments	(234,845)	(168,311)
Cash payments to vendors, contractors and other professionals	(4,707,044)	(3,631,986)
Net cash used in operating activities	(2,378,710)	(1,311,513)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from County of Albany	4,921,570	4,569,105
Net cash provided by non-capital and related financing activities	4,921,570	4,569,105
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(699,610)	(308,986)
Net cash used in capital and related financing activities	(699,610)	(308,986)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of certificates of deposit	(704,660)	(5,051,090)
Cash received from interest	333,565	260,747
Cash received from other revenue	91	-
Net cash used in investing activities	(371,004)	(4,790,343)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,472,246	(1,841,737)
CASH AND CASH EQUIVALENTS, Beginning of year	1,788,296	3,630,033
CASH AND CASH EQUIVALENTS, End of year	$ 3,260,542	$ 1,788,296
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss before appropriations and other revenues (losses)	$ (3,762,078)	$ (3,672,192)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	2,155,708	2,287,321
Net changes in assets and liabilities:		
Accounts receivable	(278,469)	242,593
Prepaid expenses and other	(764,459)	(49,696)
Change in deferred outflows, inflows, net pension and OPEB liabilities (assets)	(10,802)	(32,869)
Accounts payable and accrued expenses	161,926	(1,893)
Deferred revenue	130,382	(90,294)
Accrued wages and employee benefits	(10,918)	5,517
Net cash used in operating activities	$ (2,378,710)	$ (1,311,513)

See notes to financial statements.

NOTE 1 — FINANCIAL REPORTING ENTITY

The Albany Convention Center Authority (Authority) is a Public Benefit Corporation created by the State of New York (State) Legislature in 2004 to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage and maintain a convention center facility (Project) to be located in the City of Albany, New York (City). Operations began with the creation of the Authority's Board in February 2006. The Authority's Board consists of nine members: three members appointed by the Governor of the State, one member each appointed by the Temporary President of the State Senate and the Speaker of the State Assembly, respectively, two members appointed by the Mayor of the City of Albany with the advice and consent of the City's Common Council, and two members appointed by the County of Albany, New York (County) Executive with the consent and advice of the County Legislature.

The Authority meets the criteria set forth in generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the State of New York's basic financial statements based on the State's responsibility for the appointment of a majority of the Authority members, and their approval of certain debt issuances. As a component unit, the Authority's financial statements may be discretely presented in the State of New York's basic financial statements. The accompanying financial statements present the financial position and the changes in net position and cash flows of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

The Authority constructed a convention center (Capital Center) at a cost of approximately $78.8 million primarily funded through the New York State Office of General Services (OGS). The Capital Center opened for operations in March 2017.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of GASB Statement No. 20, as amended, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority has elected not to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

The more significant accounting policies are described below:

Basis of Accounting

The Authority's activities are accounted for similar to those often found in the private sector, using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net position, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Cash and Cash Equivalents

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid investments with an original maturity of three months or less when purchased. These deposits are fully collateralized by federal deposit insurance or secured under a collateral pledge and control agreement.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

The Authority manages its investments pursuant to Section 98(a) of the State Finance Law. Permitted investments are defined as obligations in which the State Comptroller may invest which include obligations of the United States and its Federal agencies, collateralized time deposits, commercial paper, bankers acceptances and repurchase agreements.

Certificates of Deposit

Certificates of Deposit include investments in a CD Option account (formerly known as CDARS) which consist of certificates of deposit with original terms over three months when purchased. These investments are held until maturity and carried at amortized cost. The Authority's certificates of deposit bear interest at rates ranging from 3.78% to 4.50% with original terms ranging from 26 to 52 weeks. The certificates of deposit are fully collateralized by federal deposit insurance.

Due from the County of Albany, New York

During 2006, enabling legislation authorized a portion of Hotel-Motel Occupancy Tax (HOT) revenue collected and remitted to the treasury of the County of Albany be set aside for use by the Authority (Note 5). The HOT revenue is recognized when earned based on management's estimates using budgeted and historical collection data adjusted each quarter based on actual amounts collected and deposited into an account designated by the Authority. Due from County of Albany, New York consists of the Authority's estimated share of hotel taxes collected on behalf of the Authority.

Income Taxes

The Authority is a public benefit corporation of the State of New York. As such, income earned in the exercise of its essential government functions is exempt from state and federal income taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reporting of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current year financial statements.

Pension

The Authority accounts for pensions in accordance with GASB 68, Accounting and Financial Reporting for Pensions (GASB 68). This statement addresses accounting and financial reporting for pensions provided to Authority employees that are administered by the New York State and Local Employees' Retirement System. This statement also requires various note disclosures and required supplementary information. However, due to the overall immaterial impact of this pension accounting on the statements of revenues, expenses, and changes in net position such note disclosures and required supplementary information have not been included.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits (OPEB)

The Authority provides health insurance for certain qualifying retirees. The Authority uses GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) to recognize the total OPEB liability, deferred outflows and deferred inflows of resources, OPEB expense, and information about and changes in the total OPEB liability.

New Accounting Pronouncements

Effective for the year ended December 31, 2024, the Authority implemented GASB Statement No. 101, *"Compensated Absences,"* which clarifies the recognition, measurement, and financial reporting requirements for compensated absences. This statement establishes a uniform methodology for recognizing liabilities related to leave benefits earned but not yet taken. Upon evaluation, the implementation of GASB 101 did not have a material impact on the Authority's financial statements or related disclosures. The Authority's existing policies and practices were consistent with the principles outlined in GASB 101.

NOTE 3 — CASH AND CASH EQUIVALENTS

The Authority's cash and cash equivalents are categorized in accordance with criteria established by the GASB to give an indication of the level of risk assumed. Cash and cash equivalents as of December 31, are reflected below.

	2024		2023	
	Carrying Value	Bank Balance	Carrying Value	Bank Balance
Cash and cash equivalents	$3,260,542	$3,276,803	$1,788,296	$1,856,360
	$3,260,542	$3,276,803	$1,788,296	$1,856,360

The cash and cash equivalents were covered by FDIC insurance or otherwise collaterally secured at December 31, 2024.

NOTE 4 — HOTEL-MOTEL OCCUPANCY TAX

During 2006, legislation was amended which authorizes the County of Albany to impose and collect taxes from occupants of hotel-motel rooms in the County. Among other amendments, this legislation authorized a portion of hotel and motel occupancy taxes collected and remitted to the treasury of the County be deposited into a fund held separate and for the benefit of the Authority. Funds in excess of expenses and outstanding applications for withdrawals submitted by the Authority may be invested in accordance with certain provisions of law. Investment income earned is retained by the fund and made available to the Authority along with all other moneys of the fund. The County transfers money to the Authority's operating account on a quarterly basis which is to be used by the Authority for the convention center. This tax was originally subject to a sunset provision and ended in December 2008. This tax was re-enacted during 2009 with the tax imposed for the period from November 1, 2009 through December 31, 2010. The provisions of the legislation have been further extended through December 31, 2024. As of March 1, 2017, upon substantial completion of the Albany Capital Center, the Authority's share of the Hotel-Motel Occupancy Tax increased from 1% to 3%. The Hotel-Motel Occupancy Tax revenues for the years ended December 31, 2024 and 2023 were $5,207,226 and $4,560,634, respectively, and $1,668,132 and $1,382,476 of these revenues were due from the County of Albany, New York at December 31, 2024 and 2023, respectively.

NOTE 5 — CAPITAL ASSETS

The following schedule summarizes the capital assets of the Authority and related changes for the years ended December 31, 2024 and 2023:

	January 1, 2024	Additions	Deletions	Transfers	December 31, 2024
Land	$ 4,070,381	$ -	$ -	$ -	$ 4,070,381
Construction in progress	115,553	18,029	-	(133,582)	-
Building and building improvements	76,123,997	641,598	-	132,332	76,897,927
Furniture, equipment and other	2,480,644	40,085	(23,123)	1,250	2,498,856
Total	82,790,575	699,712	(23,123)	-	83,467,164
Less: accumulated depreciation	(15,430,677)	(2,155,708)	23,021	-	(17,563,364)
Capital assets, net	$ 67,359,898	$ (1,455,996)	$ (102)	$ -	$ 65,903,800

	January 1, 2023	Additions	Deletions	Transfers	December 31, 2023
Land	$ 4,070,381	$ -	$ -	$ -	$ 4,070,381
Construction in progress	33,300	82,253	-	-	115,553
Building and building improvements	76,100,093	23,904	-	-	76,123,997
Furniture, equipment and other	2,277,815	202,829	-	-	2,480,644
Total	82,481,589	308,986	-	-	82,790,575
Less: accumulated depreciation	(13,143,356)	(2,287,321)	-	-	(15,430,677)
Capital assets, net	$ 69,338,233	$ (1,978,335)	$ -	$ -	$ 67,359,898

Building and building improvements, furniture, equipment and other assets are capitalized and depreciated over a period consistent with the underlying estimated useful life when placed in service. Depreciation expense related to building and building improvements, furniture, equipment and other assets was approximately $2,155,700 and $2,287,300 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 — RETIREMENT BENEFITS

One employee of the Authority participates in the New York State and Local Employees' Retirement System ("System" or "ERS").

The System is a cost-sharing multiple-employer defined benefit plan administered by the State Comptroller. Plan benefits, including retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed under the State Constitution. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors. The System issues a financial report that includes financial statements and other information for the System which is available to the public. The financial report may be obtained from the New York State and Local Employees' Retirement System at www.osc.state.ny.us/retire.

NOTE 6 — RETIREMENT BENEFITS (Continued)

No employee contribution is required for those hired prior to July 1976. The System requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined the System from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership in the System. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Authority to the pension accumulation fund. The rate was 12.9% and 18.0% for the Authority's active employee for 2024 and 2023, respectively. Employee contributions are deducted from their salaries and remitted on a current basis to the System.

The Authority recognized net pension expense of approximately $11,700 and $18,100 for the years ended December 31, 2024 and 2023, respectively which is included in fringe benefits in the statements of revenue, expenses and changes in net position.

At December 31, 2024 and 2023 the Authority reported deferred outflows of resources, deferred inflows of resources, and liabilities for its proportionate share of the ERS deferred outflows of resources, deferred inflows of resources, and net pension liability, respectively. The ERS net pension liability is measured as of March 31 each year, and the total pension liabilities were determined by an actuarial valuation as of April 1, 2023 and 2022, with updated procedures used to roll forward the total pension liability to March 31, 2024 and 2023, respectively. The Authority's proportion was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for each fiscal year ended on the measurement date. At the March 31, 2024 and 2023 measurement date, the Authority's proportion was 0.0000000% and 0.0000753%, respectively.

The Authority has reported additional deferred outflows of resource as of December 31, 2024 and 2023 for employer contributions made subsequent to the measurement dates.

NOTE 7 — OTHER POSTEMPLOYMENT BENEFITS

The Authority provides certain health care benefits for retired employees and their covered dependents.

Plan Description and Funding Policy

The Authority administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for qualifying retirees and their covered dependents and can be amended by action of the Authority. The Plan does not currently issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The Authority pays the full cost of eligible retiree health insurance. The Authority currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis, with the possibility of pre-funding additional benefits if so determined by the Authority.

NOTE 7 — OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At both January 1, 2024 and January 1, 2023, the actuarial valuation dates, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	1
	2

Total OPEB Liability

At December 31, 2024 and 2023, the Authority reported a liability of $119,357 and $104,986, respectively. The total OPEB liability as of December 31, 2024 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024. The total OPEB liability as of December 31, 2023 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

Actuarial Assumptions and Other Inputs

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate used in December 31, 2024 measurement – 4.00%
Discount rate used in December 31, 2023 measurement – 3.25%
Healthcare cost trend rates – 6.21% for 2024 (decreasing to an ultimate rate of 4.30% by 2062)

The discount rate was based on the Bond Buyer 20-Bond General Obligation Bond Index.

Mortality rates were based on the Pri.H-2012 No Collar Mortality Table with generational improvements using Scale MP-2021.

NOTE 7 — OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at December 31, 2022	$ 102,413
Changes for the year:	
Service cost	-
Interest	3,328
Changes of benefit terms	-
Differences between expected and actual experience	(6,230)
Changes of assumptions or other inputs	5,475
Benefit payments	-
Net changes	2,573
Balance at December 31, 2023	$ 104,986
Changes for the year:	
Service cost	-
Interest	3,330
Changes of benefit terms	-
Differences between expected and actual experience	25,285
Changes of assumptions or other inputs	(10,050)
Benefit payments	(4,194)
Net changes	14,371
Balance at December 31, 2024	$ 119,357

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1.0% Decrease	Discount Rate	1.0% Increase
Total OPEB Liability	$ 133,059	$ 119,357	$ 107,794

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1.0% Decrease	Trend Rate	1.0% Increase
Total OPEB Liability	$ 107,472	$ 119,357	$ 133,272

NOTE 7 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and December 31, 2023, the Authority recognized OPEB expense (benefit) of $6,772 and $(31,698), respectively. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,319	$ -
Changes of assumptions or other inputs	-	7,281
Total	$ 18,319	$ 7,281

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,230
Changes of assumptions or other inputs	5,475	-
Total	$ 5,475	$ 6,230

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year ended December 31	Amount
2025	$ 4,197
2026	4,197
2027	2,644
	$ 11,038

NOTE 8 — LINE OF CREDIT

The Authority has available a revolving demand line of credit totaling $250,000 with a bank. Borrowings under the line bear interest at Prime Rate plus 2.0%, adjusted annually (9.5% at December 31, 2024). Interest on outstanding borrowings is due monthly. There were no borrowings outstanding at December 31, 2024 and 2023.

NOTE 9 — FACILITY OPERATOR AGREEMENTS

The management, operations and marketing of the Albany Capital Center is facilitated through a Management Agreement with ASM Global. The initial agreement expired December 31, 2020. In July 2020, the Authority executed an amended and restated management agreement, extending the term through December 31, 2023. The agreement was further amended in April 2022, extending the term through December 31, 2025.

As part of this agreement ASM Global is responsible for the financial activity of the Albany Capital Center. ASM Global manages all revenues collected by the Albany Capital Center from facility rental; food and beverage sales; parking lot operations and other ancillary income. In turn, ASM Global incurs expenses associated with operating the facility (i.e., salaries of permanent and temporary staff who orchestrate events and handle administrative functions; utility expenses; the promotion and advertising of the Albany Capital Center; and general facility maintenance and repairs). Financial activity of the Albany Capital Center is reviewed by management.

During the years ended December 31, revenues from the Albany Capital Center are as follows:

	2024	2023
Direct event income		
Rental	$ 682,658	$ 623,686
Service	292,987	237,005
Ancillary income		
Food and beverage catering	1,126,412	942,753
Parking	147,940	125,274
Electrical	51,078	46,370
Audio visual and other	252,162	214,955
Other operating income		
Advertising	85,274	78,381
Other	72,755	68,061
Total revenues	$2,711,266	$2,336,485

NOTE 9 — FACILITY OPERATOR AGREEMENTS (Continued)

During the years ended December 31, contractual services expenses from the Albany Capital Center are as follows:

	2024	2023
Service	$ 863,735	$ 693,052
Salaries and wages	1,178,697	1,143,979
Payroll taxes and benefits	331,124	325,442
General and administrative	300,820	281,780
Operating	92,406	74,569
Repairs and maintenance	283,740	262,340
Insurance	61,521	44,562
Utilities	260,480	254,250
Depreciation	12,608	18,740
Management fee	223,692	171,889
Total expenses	$ 3,608,823	$ 3,270,603

As base compensation to ASM Global for providing services, the Authority pays ASM Global an annual fixed fee, and has since 2021, adjusted annually for changes in the CPI-U through December 31, 2025.

ASM Global is also entitled to annual quantitative and qualitative incentive fees, as defined, with respect to each fiscal year. The incentive fee under the initial term of the agreement shall not exceed 50% of the aggregate compensation of fixed fee and incentive fee in any given fiscal year and shall be calculated as follows:

(A) Quantitative incentive fee: not to exceed 70% of the annual fixed fee, equal to 25% of the amount by which the actual operating revenues exceed the revenue benchmark; provided, however, such eligibility is contingent upon ASM Global operating within the approved budget.

(B) Qualitative incentive fee: an amount equal to 30% of annual fixed fee, eligible upon meeting the criteria defined in the Management Agreement.

Beginning in 2021, The incentive fee under the amended and restated management agreement shall not exceed 250% of the fixed fee, and total compensation (aggregate of the fixed fee and incentive fee) shall not exceed 5% of operating revenues and shall be calculated as follows:

(A) Performance/Productivity incentive fee: not to exceed 200% of the annual fixed fee, equal to 20% of fixed fee if operating revenues exceed the operating revenues from the immediately preceding fiscal year; provided, however, such eligibility is contingent upon ASM Global operating within the approved budget; and 20% of the fixed fee if annual attendance was between 100,000 and 150,000, or 45% of the fixed fee if annual attendance was over 150,000; and 20% of the fixed fee if annual event days were between 300 and 320, or 45% of the fixed fee if annual event days were in excess of 320; and 20% of the fixed fee if annual events were between 200 and 220, or 45% of the fixed fee if annual events were in excess of 220; and 20% of the fixed fee if annual hotel room nights generated were between 30,000 and 35,000, or 45% of the fixed fee if annual hotel nights generated were in excess of 35,000.

NOTE 9 — FACILITY OPERATOR AGREEMENTS (Continued)

(B) Qualitative incentive fee: an amount not to exceed 50% of annual fixed fee, eligible upon meeting the criteria defined in the Management Agreement.

The incentive fees earned for the years ended December 31, 2024 and 2023 were $119,649 and $71,056, respectively.

In accordance with the terms of the Management Agreement, the Authority is required to provide the operator certain operating funds sufficient to meet operating expenses. During 2024 and 2023, the Authority provided ASM Global with $489,120 and 882,247, respectively, to meet operating expenses.

NOTE 10 — SHUTTERED VENUE OPERATORS GRANT

In July 2021, the Authority received a Shuttered Venue Operators Grant ("SVOG") from the Small Business Administration ("SBA") in the amount of $627,703. The grant covered certain eligible operating expenses during the period from March 2020 through July 2022. The Authority applied the grant to costs incurred during the year ended December 31, 2021 and the entire $627,703 was included in grant revenue for the year ended December 31, 2021.

According to the rules of the SBA, the Authority is required to retain the SVOG documentation related to employment records for four years and all other records documenting compliance and eligibility for three years following the receipt of funds, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Authority's judgments pertaining to satisfying SVOG compliance or eligibility, the Authority may be required to adjust previously reported amounts and disclosures in the financial statements.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

In September 2024, the Authority entered into an option to lease agreement with CIDC Albany Center, LLC for property that will be utilized for expansion and improvements of the Albany Capital Center. The payments required under this option are primarily being used by the Optionor for pre-construction planning, design, and engineering costs for the project. As part of this agreement, an initial installment payment of $500,000 was made in October 2024 with additional monthly installment payments of $316,667 required at the beginning of each month from January 1, 2025, through June 30, 2025 for a total of $2,400,000. As of December 31, 2024, total payments of $816,667 have been made under this agreement and are included in prepaid and other assets on the statement of net position. The option allows the Authority and Optionor to negotiate a mutually acceptable lease agreement for execution by June 30, 2025. If the option is exercised, it is expected that the Optionor will construct the facility for the project to be completed by December 31, 2026.

NOTE 12 — RISKS AND UNCERTAINTIES

From time to time, the Authority may be involved in legal proceedings and litigation arising in the normal course of business. In the opinion of management, the outcome of any outstanding proceedings and litigation will not materially affect the financial position, results of operations and cash flows of the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

ALBANY CONVENTION CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY
Year Ended December 31, 2024

	2024	2023	2022	2021	2020
Service cost	$ -	$ -	$ 3,929	$ 5,983	$ 33,637
Interest	3,330	3,328	4,967	13,209	12,406
Changes of benefit terms	-	-	-	-	(1,486)
Differences between expected and actual experience	25,285	(6,230)	(11,977)	(545,885)	(29,155)
Change of assumptions or other inputs	(10,050)	5,475	(23,049)	788	50,915
Benefit payments	(4,194)	-	-	-	-
Net change in total OPEB liability	14,371	2,573	(26,130)	(525,905)	67,803
Total OPEB liability - beginning	104,986	102,413	128,543	654,448	586,645
Total OPEB liability - ending	$ 119,357	$ 104,986	$ 102,413	$ 128,543	$ 654,448

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

INDEPENDENT AUDITOR'S 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*

Members of the Board
Albany Convention Center Authority

We have audited, in accordance with 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 Controller General of the United States, the financial statements of the Albany Convention Center Authority (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements and have issued our report thereon dated March 28, 2025.

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) to determine the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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.

UHY LLP

Albany, New York
March 28, 2025

ALB | NY

ALBANY
CONVENTION
CENTER
AUTHORITY

March 28, 2025

UHY, LLP
4 Tower Place, Executive Park
7th Floor
Albany, New York 12203

This representation letter is provided in connection with your audit of the financial statements of Albany Convention Center Authority ("the Authority"), which comprise the financial position of the Authority as of December 31, 2024 and 2023, and the changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 19, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

   b) Additional information that you have requested from us for the purpose of the audit.

   c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings of Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves—

   - Management,
   - Employees who have significant roles in internal control, or
   - Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the Authority's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

22) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

24) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87 .

25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

28) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

29) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

31) Investments are properly valued.

32) Provisions for uncollectible receivables have been properly identified and recorded.

33) Deposits and investment securities are properly classified as to risk and are properly disclosed.

34) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

35) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

36) With respect to the Management's Discussion and Analysis:

   a) We acknowledge our responsibility for presenting the Management's Discussion and Analysis in accordance with accounting principles generally accepted in the United States of America, and

we believe the Management's Discussion and Analysis, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Management's Discussion and Analysis have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the Management's Discussion and Analysis is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

37) The Authority has provided all management, license and other agreements with third parties. These include, but are not limited to, marketing agreement with Albany County Convention and Visitors Bureau, and management agreement with ASM.

38) The Authority is in compliance with all Shuttered Venue Operators Grant ("SVOG") eligibility criteria and documentation retention requirements. We have disclosed and/or provided copies of all correspondence with the Small Business Administration ("SBA") regarding our compliance with SVOG requirements, including any notification of review by the SBA, results of a review by the SBA, and/or notifications of material non-compliance from the SBA.

Signature: ______________________
Monica Kurzejeski
Executive Director

Signature: ______________________
~~Mark Opalka~~ Laura Grippin
Fiscal Consultant