



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

Financial Report

December 31, 2020 and 2019

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

Financial Report

December 31, 2020 and 2019

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Independent Auditor's Report

Board of Directors
Albany Parking Authority
Albany, New York

Report on the Financial Statements

We have audited the accompanying 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2020 and 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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, 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. The schedules of revenues and expenses by operating department and capital assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues and expenses by operating department and capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2021, 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

Albany, New York
March 16, 2021



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

Management's Discussion and Analysis
December 31, 2020 and 2019

The Albany Parking Authority (Authority) is pleased to present its Financial Report for the years ended December 31, 2020 and 2019. We encourage readers to consider the information on pages 3 to 12 in conjunction with the Authority's financial statements and supplementary information (presented on pages 16 to 39) 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 and 2 of this report.

FINANCIAL HIGHLIGHTS

- Garage pass holders decreased as a result of the ongoing COVID-19 pandemic. Riverfront is currently at 112% from 127% in 2019, Green-Hudson garage is currently at 103% from 128% in 2019, Quackenbush is currently 39% from 69% in 2019.
- As of 2020, 185 pay-by-plate multi-space meters were controlling 1,724 on-street spaces previously managed with pay and display multi-space meters. There were 332 single space meters controlling 332 on-street spaces in 2020.
- The Authority currently offers the Pay-by-phone app, to improve payment compliance options for customers. The mobile app accounts for 54.13% of all usage.
- Net loss for 2020 was \$1,029,922.
- Debt Coverage Ratio continues to be well above the 1.5 requirement, with 1.65 in 2020.

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REQUIRED FINANCIAL STATEMENTS

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

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

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

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

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

SUMMARY OF ORGANIZATION AND BUSINESS

The Authority was established in 1983 as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York by the Albany Parking Authority Act (the enabling act). The Act authorizes the Authority to construct, operate, and maintain locations in the City of Albany (City) for the parking or storing of motor vehicles, and in order to discharge its responsibilities, it is authorized to issue and sell tax exempt bonds. Pursuant to the Act, the aggregate outstanding principal amount of bonds issued by the Authority may not exceed \$50 million at any one time. Such bonds must generally be self-supporting from user fees, and the Authority ordinarily receives no Federal, State, or City subsidies.

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 40 full-time-equivalent persons. In 2020 the Authority hired a Chief Budget Manager and a Marketing & Stakeholder Coordinator. The accompanying Organizational Chart illustrates the division of those positions.

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SUMMARY OF ORGANIZATION AND BUSINESS - Continued

The online revenue control system equipment installed in all garages has been replaced with state-of-the-art revenue control equipment using license plate recognition as a credential and bar code readers for both cards and tickets. Parkers without monthly access cards are required to take a ticket upon entry. The parker then pays for parking with cash or credit at a pay-on-foot machine or by credit only at the exit. Cashiering staff have been eliminated, except at special events when parking fees are prepaid, and revenue is reconciled to tickets issued. Monthly parking access cards are activated only by central office staff before distribution to customers by office or garage staff. All cards must be paid in advance by the first of each month to be valid. The anti-pass-back card system prevents unauthorized use.

The Authority operates the parking meter system for the City under a license fee-based agreement with the City. The agreement permits the Authority to install and operate parking meters in consultation with the Chief of Police. Revenues generated by the parking meters are the property of the Authority, and the expenses of operating the meters are payable by the Authority. Fines and penalties from parking violations remain the property of the City rather than the Authority. Effective January 1, 2015, the enforcement of parking meters and other on-street parking violations is carried out by the Authority. Under the meter and enforcement agreements, the Authority pays the cost of salary, fringe benefits, and other related expenses of the public service officers who provide enforcement. The approved annual budget sets the annual limit for this subordinated obligation.

Electronic parking meters operate with a sealed coin collection system. Coins inserted by parkers are never seen or touched by Authority staff. Pre-locked collection containers go directly to Loomis for counting, and then reported to the bank for deposit. In 2019, the Authority replaced older single space meters which required a hand-held auditing device to provide a money estimate with credit card enabled single space meters and back-office reporting capabilities. The back-office reporting now provides a money estimate for the Authority in advance for comparison with the amount deposited. Historically, the average difference between the advance audit and the collected amount in Albany meters have been less than one percent, and this compares favorably to industry standards.

Multi-space electronic meters also operate on a sealed collection system. However, the audit and management reporting functionality are greatly enhanced, allowing better reconciliation and improved information to aid management.

In late 2016, the Authority put out an RFP for a Pay-by-Plate Meter and Pay-by-Phone test program. The goal of the test program was to enhance the customer experience and allow for improved payment options, increasing compliance. The test program was instituted in late spring of 2017 and has been successful. The Authority has successfully implemented its plans for a City-wide expansion.

The Authority updated and modernized the ParkAlbany.com website in 2017. The website modernization included improved back office security enhancements and PCI and ADA compliance.

The Authority was dedicated to making sure that all three of the Authority's garages were open 24/7. This was first accomplished beginning in 2017. All three of the Authority's garages were open 24/7 during 2020.

In its mission, the Authority is dedicated to helping to sustain and create economic development opportunities through parking for the City. To this end, the Authority launched and completed a feasibility study to determine on-street and off-street parking needs in the Warehouse District and Downtown sections of the City.

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GENERAL AUTHORITY INFORMATION

Selected Data (parking revenue only):

Parking Facilities	Average Monthly Revenue		Difference	% Change
	2020	2019		
Riverfront	\$ 98,129	\$ 114,435	\$ (16,306)	-14.25%
Green-Hudson	117,148	144,817	(27,669)	-19.11%
Quackenbush	52,436	79,886	(27,450)	-34.36%
Parking Meters	125,437	232,348	(106,911)	-46.01%
Q Lots and C Lots	12,145	19,817	(7,672)	-38.71%

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,				
	2020	2020 vs. 2019	2019	2019 vs. 2018	2018
Current assets	\$ 3,391,160	-21.8%	\$ 4,335,820	16.7%	\$ 3,714,751
Capital assets, net	12,476,241	-6.0%	13,272,881	-6.3%	14,157,856
Total assets	15,867,401	-9.9%	17,608,701	-1.5%	17,872,607
Deferred outflows of resources, net	3,552,131	203.5%	1,170,214	-28.5%	1,635,566
Current liabilities	1,937,898	-5.0%	2,039,264	-11.8%	2,312,587
Long-term liabilities	17,131,991	14.6%	14,951,560	-10.9%	16,786,813
Total liabilities	19,069,889	12.2%	16,990,824	-11.0%	19,099,400
Deferred inflows of resources	1,011,195	-20.2%	1,266,814	57.2%	805,833
Net position, capital	5,569,586	30.7%	4,260,610	-5.8%	4,524,171
Net position, restricted	405,107	-68.7%	1,292,364	-7.3%	1,394,051
Net position, unrestricted	(6,483,338)	28.8%	(5,031,697)	-20.3%	(6,315,282)
Net position	<u>\$ (661,552)</u>	<u>-226.9%</u>	<u>\$ 521,277</u>	<u>-231.3%</u>	<u>\$ (397,060)</u>

	Years Ended December 31,				
	2020	2020 vs. 2019	2019	2019 vs. 2018	2018
Operating revenue	\$ 6,351,705	-25.7%	\$ 8,543,641	4.2%	\$ 8,197,598
Nonoperating revenue	12,917	-65.8%	37,743	9.3%	34,524
Total revenues	6,364,622	-25.8%	8,581,384	4.2%	8,232,122
Depreciation expense	1,176,322	-4.6%	1,233,243	-10.4%	1,376,491
Amortization expense	48,048	0.0%	48,049	5.9%	45,390
Other operating expenses	5,808,435	-1.2%	5,880,579	2.9%	5,712,424
Nonoperating expense	361,739	-27.8%	501,176	-22.8%	649,383
Total expenses	7,394,544	-3.5%	7,663,047	-1.5%	7,783,688
Change in net position	<u>(1,029,922)</u>		<u>918,337</u>		<u>448,434</u>
NET POSITION, beginning of year	521,277		(397,060)		(845,494)
NET POSITION, end of year	<u>\$ (508,645)</u>		<u>\$ 521,277</u>		<u>\$ (397,060)</u>

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GENERAL TRENDS AND SIGNIFICANT EVENTS

The Parking Incentive and Parking Retention Programs were discontinued in 2019. In late 2019, the Authority introduced a new parking rate structure that went into effect in 2020. The new rate structure was designed to streamline parking rates with decreased rates for all new individuals and lower rates for businesses purchasing multiple parking spaces. By streamlining the rate structure, in 2020, the Authority was able to reduce the number of different rates from 22 to 13. The Authority continues to offer a Residential Program for tenants who reside downtown. This new rate structure will not only benefit the Authority, but it will also be a factor in generating projects that increase demand for parking in the Downtown Business District. The Authority's strategy is to attract larger tenants after the COVID-19 pandemic. The Authority has advanced a number of marketing efforts to accelerate economic development in the City, including free evening and weekend parking, and various promotions via social media.

FINANCIAL CONDITION

Primarily as a result of COVID-19, parking revenue was down \$2,232,105 in 2020 compared to 2019. Total operating costs in 2020 decreased \$129,065 from 2019 to 2020. While the Authority kept operating and administrative expenses down through large scale cutbacks, certain Benefit expenses unavoidably increased in 2020 as a result of year-end accruals for pensions and other postemployment benefits, late 2019 and early 2020 (prior to March) new hires, health insurance costs and other non-cash items. Other non-cash decreases include a reduction of \$56,921 in depreciation expense.

Certain expenses increased and decreased during 2020 for a variety of reasons. The Authority incurred a decrease in credit card fees by \$91,688 as a result of the decreased use by customers due to COVID-19. Computerization increased \$23,502 which included website upgrades, teleconferencing equipment, and new computers for additional staff that did not meet the Authority's capital asset capitalization policies. The facility repair and renovation costs increased by \$370,463 as a result of repairs not completed in 2019 that were completed in 2020. Due to COVID-19, the City suspended metered parking in the City for a period of time, with fees not being collected from March 23, 2020 until June 9, 2020. The meter licensing fee with the City has been suspended since March 2020. The meter licensing fee payment is based on the availability of funds to make debt service payments.

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

RESULTS OF OPERATIONS

Revenue

Primarily as a result of COVID-19, total revenue for 2020, exclusive of enforcement expense offset, was \$4,880,771, compared to \$7,149,244 in 2019. Monthly garage and lot revenues decreased \$1,282,934 from 2019 to 2020. Total daily and event parking, rent, and other revenue decreased \$510,493 in garages and lots, with meter revenue also decreasing by \$1,282,934 from 2019 to 2020.

Expense

Total expense for 2020, exclusive of depreciation, amortization, and interest, was \$5,808,435, compared to \$5,880,579 in 2019, a decrease of \$72,144. In 2020, \$1,448,182 of these expenses were reimbursable by the City under the enforcement management agreement, in 2019 these expenses totaled \$1,448,013, resulting in a net increase of \$169 from 2019. The annual meter licensing fee is an agreement between the Albany Parking Authority and the City of Albany. The meter licensing fee, which was suspended in March, totaled \$162,867 in 2020. The suspension of the fee resulted in a \$796,133 decrease from 2019 and an \$814,333 decrease in the 2020 budgeted expense.

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LONG-TERM OBLIGATIONS

As of December 31, 2020, the Authority had \$7,630,000 outstanding related to refunding bonds issued during 2011 and 2018.

More detailed information about the Authority's long-term obligations is presented in the notes to the financial statements on pages 19 and 20.

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 \$405,107.

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.

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PRINCIPAL OFFICIALS

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

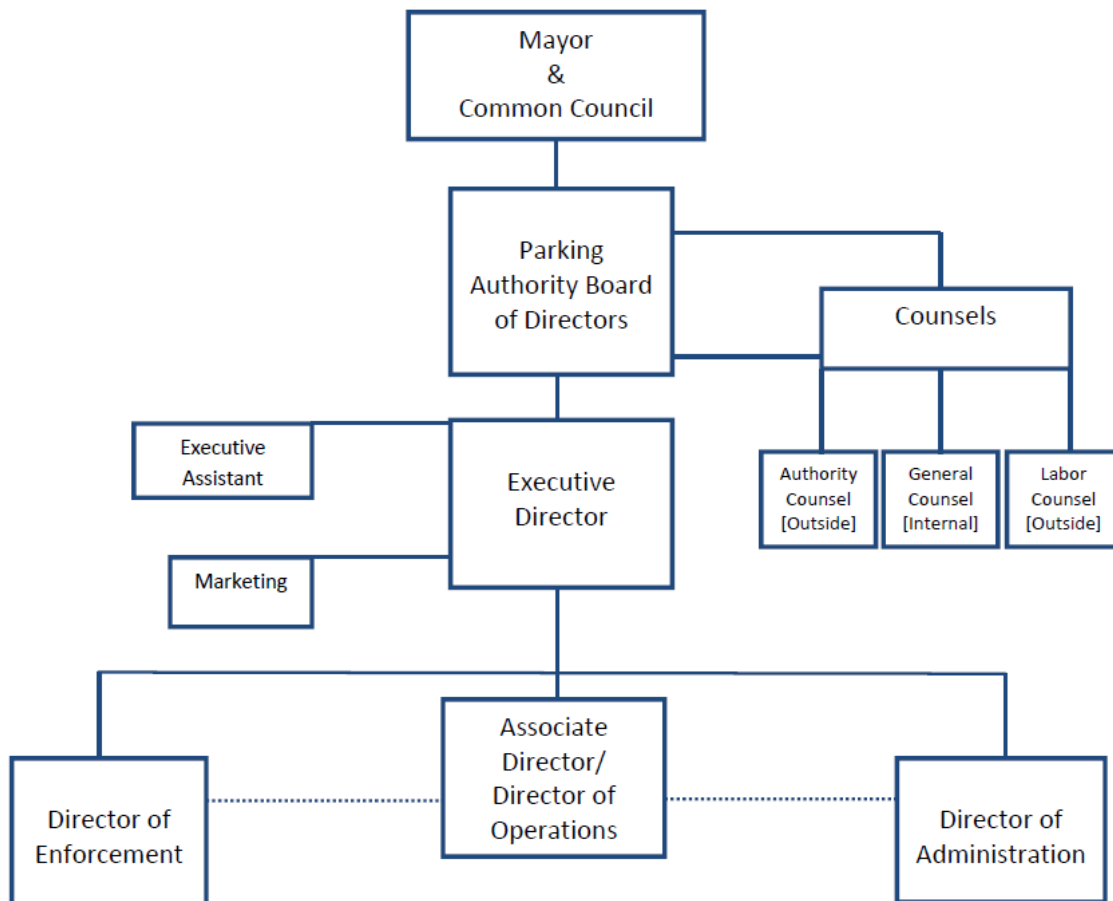
<u>Name</u>	<u>Board Office</u>	<u>Term Expiration</u>
Jeff Sperry	Chair	January 2, 2021
Christopher Burke	Vice Chair	January 2, 2024
Jordine Jones	Secretary	January 2, 2025
William O. Pettit, III	Treasurer	January 2, 2022
Jennifer Ceponis	Asst. Secretary/Treasurer	January 2, 2023

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ALBANY PARKING AUTHORITY ORGANIZATION CHART

2020

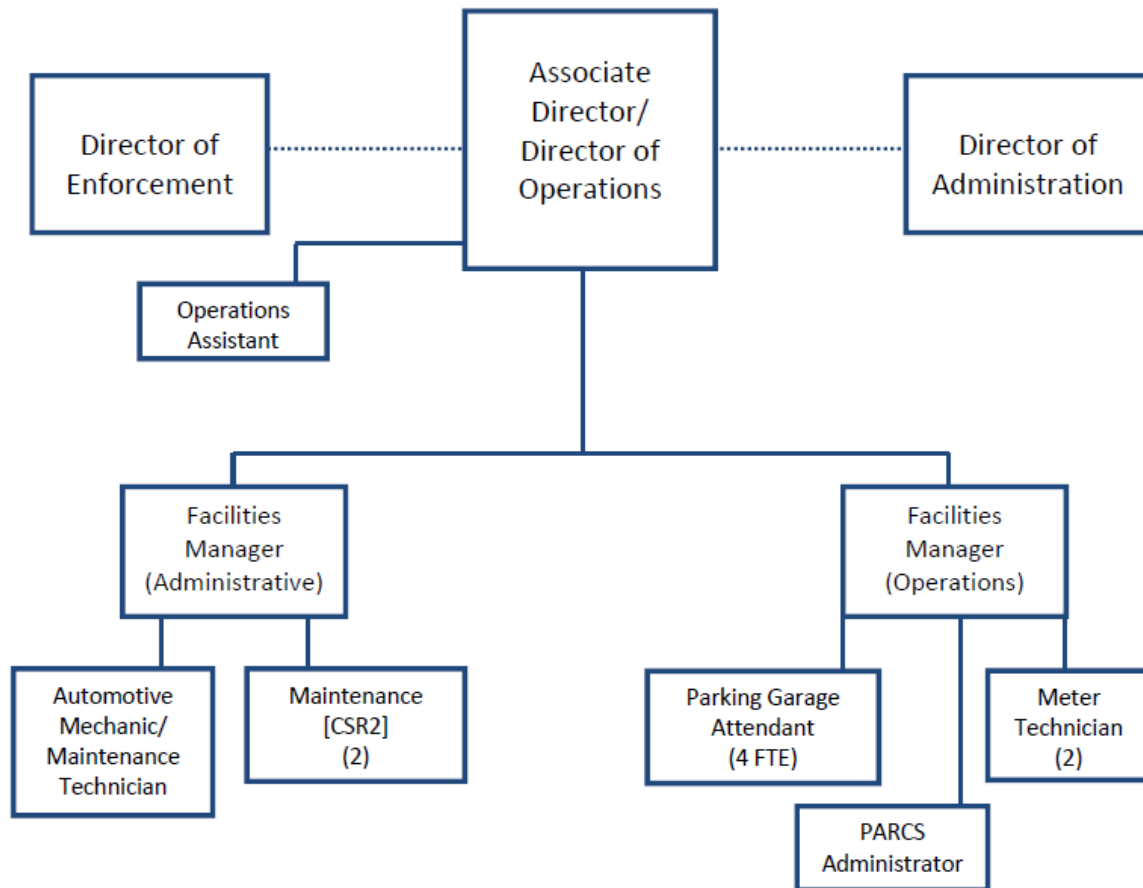


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ALBANY PARKING AUTHORITY ORGANIZATION CHART

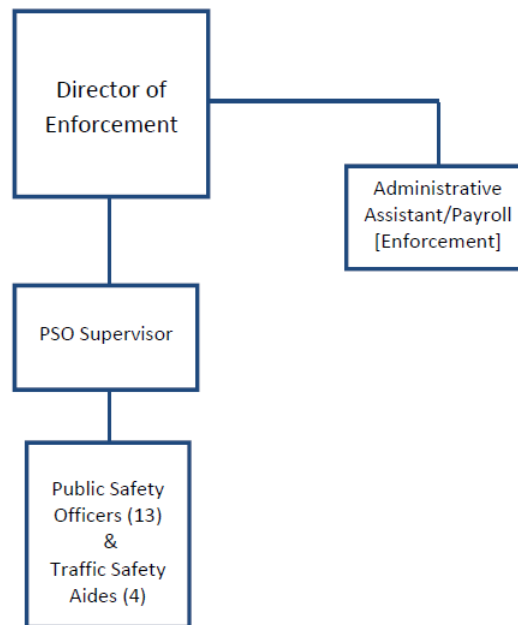
2020- Operations



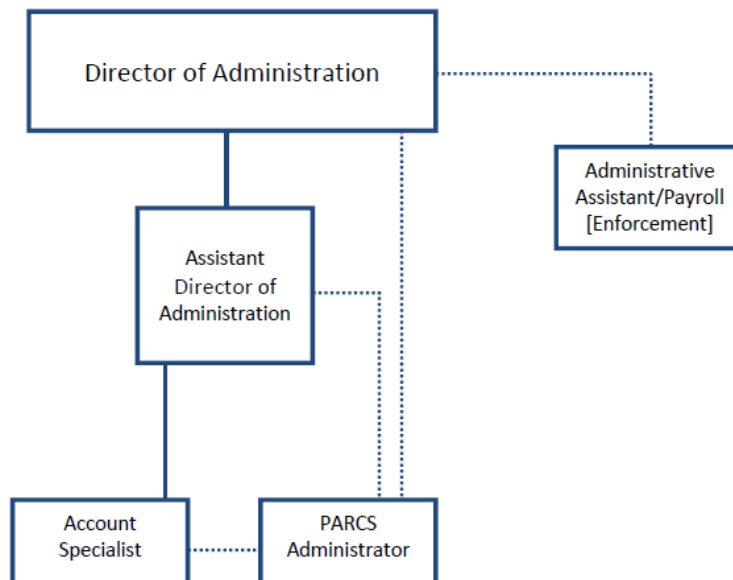
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ALBANY PARKING AUTHORITY ORGANIZATION CHART
2020- Enforcement



ALBANY PARKING AUTHORITY ORGANIZATION CHART
2020- Administration



Albany Parking Authority
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Statements of Net Position

	December 31,	
	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,547,861	\$ 1,965,579
Cash and cash equivalents, restricted	1,222,811	2,107,649
Investments	150,343	-
Parking revenues receivable	40,889	40,216
Due from the City of Albany, New York	421,940	213,212
Prepaid expenses and other	7,316	9,164
Total current assets	<u>3,391,160</u>	<u>4,335,820</u>
NON-CURRENT ASSETS		
Investments	152,907	-
Capital assets, not being depreciated	3,774,681	3,774,681
Capital assets, net of accumulated depreciation	8,701,560	9,498,200
Total non-current assets	<u>12,629,148</u>	<u>13,272,881</u>
Total assets	<u>16,020,308</u>	<u>17,608,701</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,552,131</u>	<u>1,170,214</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	189,621	283,917
Accrued interest	177,165	203,405
Unearned parking revenues	91,769	122,368
Current maturities of long-term debt	1,240,000	1,130,000
Current installments of capital lease obligations	182,452	249,571
Current portion of accrued postemployment health benefits	56,891	50,003
Total current liabilities	<u>1,937,898</u>	<u>2,039,264</u>
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	6,704,674	8,013,960
Capital lease obligations, less current installments	220,029	402,481
Accrued postemployment health benefits, less current maturities	8,373,833	6,039,724
Net pension liability	1,833,455	495,395
Total non-current liabilities	<u>17,131,991</u>	<u>14,951,560</u>
Total liabilities	<u>19,069,889</u>	<u>16,990,824</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,011,195</u>	<u>1,266,814</u>
NET POSITION		
Net investment in capital assets	5,569,586	4,260,610
Restricted	405,107	1,292,364
Unrestricted deficit	<u>(6,483,338)</u>	<u>(5,031,697)</u>
TOTAL NET POSITION	<u><u>\$ (508,645)</u></u>	<u><u>\$ 521,277</u></u>

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,	
	2020	2019
OPERATING REVENUES		
Parking revenues	\$ 4,863,523	\$ 7,095,628
Reimbursement from the City of Albany, New York	1,488,182	1,448,013
	<u>6,351,705</u>	<u>8,543,641</u>
OPERATING EXPENSES		
Salaries and benefits expense	3,829,467	3,014,227
Repairs and maintenance	765,734	467,828
Utilities	63,995	66,076
Professional fees	104,815	220,335
Depreciation	1,176,322	1,233,243
Meter supplies and equipment	39,831	14,634
Licensing fees	162,867	959,000
Insurance	146,016	140,946
Computerization	276,299	252,797
Credit card fees	153,053	244,741
Miscellaneous	266,358	499,995
	<u>6,984,757</u>	<u>7,113,822</u>
Operating income (loss)	<u>(633,052)</u>	<u>1,429,819</u>
NONOPERATING REVENUE (EXPENSES)		
Interest income	12,917	37,743
Amortization of bond insurance premiums and deferred losses	(48,048)	(48,049)
Gain (loss) on disposal of capital assets	4,331	(18,225)
Interest expense	(366,070)	(482,951)
Total nonoperating revenue (expenses)	<u>(396,870)</u>	<u>(511,482)</u>
Change in net position	<u>(1,029,922)</u>	<u>918,337</u>
NET POSITION, <i>beginning of year</i>	<u>521,277</u>	<u>(397,060)</u>
NET POSITION, <i>end of year</i>	<u>\$ (508,645)</u>	<u>\$ 521,277</u>

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,	
	2020	2019
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	\$ 4,832,251	\$ 7,110,122
Cash received from City of Albany, New York	1,116,587	574,030
Cash paid to suppliers and other vendors	(1,908,549)	(1,900,202)
Cash paid for salaries, payroll taxes, and employee benefits	(2,835,994)	(2,572,536)
	1,204,295	3,211,414
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
Interest income	9,667	37,740
Purchase of investments	(300,000)	-
	(290,333)	37,740
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(379,682)	(382,366)
Proceeds from sale of capital assets	4,331	15,875
Payments of long-term debt and capital lease obligations	(1,448,857)	(1,611,882)
Interest paid	(392,310)	(505,539)
	(2,216,518)	(2,483,912)
Net increase (decrease) in cash and cash equivalents	(1,302,556)	765,242
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	4,073,228	3,307,986
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 2,770,672	\$ 4,073,228
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (633,052)	\$ 1,429,819
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,176,322	1,233,243
(Increase) decrease in		
Parking revenue receivable	(673)	5,070
Prepaid expenses and other	1,848	54,086
Due from City of Albany, New York	(208,728)	85,017
Deferred outflows of resources	(2,429,965)	417,303
Increase (decrease) in		
Accounts payable, accrued expenses, and unearned parking revenues	(124,895)	(79,457)
Net pension liability	1,338,060	267,119
Deferred inflows of resources	(255,619)	460,981
Accrued postemployment health benefits	2,340,997	(661,767)
	\$ 1,204,295	\$ 3,211,414

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, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Business

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

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

b. Basis of Accounting and Financial Statement Presentation

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

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

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

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

c. Estimates

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

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

Notes to Financial Statements
December 31, 2020 and 2019

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

d. Cash and Cash Equivalents

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

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

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

e. Parking Revenues Receivable and Other Receivables

The Authority determines the allowance for doubtful accounts based on management's evaluation of anticipated collectability of outstanding accounts and past collection experience. Management considers receivables at both December 31, 2020 and 2019 to be fully collectible. Accordingly, there is no allowance for doubtful accounts. If, in the future, management determines that amounts may be uncollectible, an allowance will be established, and operations will be charged when that determination is made. There were no receivables written off during the years ended December 31, 2020 and 2019.

f. Capital Assets

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

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

g. Unearned Parking Revenues

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

h. Pensions

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

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

Notes to Financial Statements
December 31, 2020 and 2019

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

i. Other Postemployment Benefits

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

j. Deferred Outflows and Deferred Inflows of Resources

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

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

k. Net Position

Net position is classified as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- *Restricted net position* has externally placed constraints on use.
- *Unrestricted net position* consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "net investment in capital assets" or "restricted net position".

l. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 16, 2021, the date the financial statements were available to be issued.

Note 2 - Investments

Investments are measured at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date. The Authority had the following investments and maturities as of December 31, 2020:

	December 31, 2020		
	Amount	Investment Maturities (In Years)	
		Less than 1	1 to 5
Certificates of Deposit	\$ 303,250	\$ 150,343	\$ 152,907

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Investments - Continued

a. Credit Risk

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

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

b. Custodial Credit Risk

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

c. Interest Rate Risk

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

d. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. At December 31, 2020, certificates of deposit held at one financial institution accounted for 100% of investments. All certificates of deposit are fully collateralized.

e. Fair Value of Financial Instruments

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

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

Level 2 Inputs to the valuation methodology include:

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

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Investments - Continued

e. Fair Value of Financial Instruments - Continued

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

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

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

Following is a description of the valuation methodology used for assets measured at fair value at December 31, 2020:

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

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

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

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 303,250	\$ -	\$ 303,250

Note 3 - Capital Assets

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

	December 31, 2020 and 2019					
	Balance January 1, 2019	2019 Additions	2019 Disposals	Balance December 31, 2019	2020 Additions	Balance December 31, 2020
Non-depreciable						
Land	\$ 3,774,681	\$ -	\$ -	\$ 3,774,681	\$ -	\$ 3,774,681
Depreciable						
Garages and improvements	21,672,967	141,914	-	21,814,881	242,891	22,057,772
Furniture and equipment	2,043,790	133,112	(125,095)	2,051,807	120,516	1,887,286
Meters and other equipment	2,069,405	107,340	(964,700)	1,212,045	16,275	1,225,995
Total capital assets, depreciable	25,786,162	382,366	(1,089,795)	25,078,733	379,682	25,171,053
Accumulated depreciation	(15,402,987)	(1,233,243)	1,055,697	(15,580,533)	(1,176,322)	(16,469,493)
Net value of capital assets, depreciable	10,383,175	(850,877)	(34,098)	9,498,200	(796,640)	8,701,560
Total capital assets, net of accumulated depreciation	\$ 14,157,856	\$ (850,877)	\$ (34,098)	\$ 13,272,881	\$ (796,640)	\$ 12,476,241

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 4 - Financing and Deferred Amounts

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

	December 31, 2020 and 2019					
	Balance January 1, 2019	2019 Additions	2019 Amortization/ Deletions	Balance December 31, 2019	2020 Additions	2020 Amortization/ Deletions
Deferred loss on bond refunding, net (a)	\$ 314,317	\$ -	\$ (48,049)	\$ 266,268	\$ -	\$ (48,048)
						218,220

- (a) The difference between the net carrying amount of the defeased bonds (1992A, 2001A, and 2007A), and reacquisition price of the bonds is deferred and amortized over the shorter of the life of the defeased bonds or the new bond using the straight-line method, which approximates the effective interest method. Amortization of deferred amounts totaled approximately \$48,000 for both of the years ended December 31, 2020 and 2019.

Note 5 - Long-Term Debt

A summary of long-term debt ending balances and transactions for the years ended December 31, 2020 and 2019, is as follows:

	December 31, 2020 and 2019					
	Balance January 1, 2019	2019 Additions	2019 Reductions	Balance December 31, 2019	2020 Additions	2020 Reductions
Long-term debt						
Series 2011	\$ 4,835,000	\$ -	\$ (545,000)	\$ 4,290,000	\$ -	\$ (555,000)
Series 2018 A & B	5,040,000	-	(570,000)	4,470,000	-	(575,000)
Total	9,875,000	-	(1,115,000)	8,760,000	-	(1,130,000)
Unamortized bond discount	(37,236)	-	5,691	(31,545)	-	5,693
Unamortized bond premium	490,482	-	(74,977)	415,505	-	(74,979)
Long-term debt, net	\$ 10,328,246	\$ -	\$ (1,184,286)	\$ 9,143,960	\$ -	\$ (1,199,286)
						7,944,674

Long term debt consisted of the follow:

	December 31,	
	2020	2019
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	\$ 3,735,000	\$ 4,290,000
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	3,895,000	4,470,000
	7,630,000	8,760,000
Less current maturities	(1,240,000)	(1,130,000)
Less bond discounts	(25,852)	(31,545)
Add bond premiums	340,526	415,505
Long-term debt, less current maturities	\$ 6,704,674	\$ 8,013,960

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 5 - Long-Term Debt - Continued

Interest expense incurred on long-term debt totaled approximately \$350,800 and \$452,300 for the years ended December 31, 2020 and 2019, respectively.

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

	Principal	Interest	Total
For the year ending December 31,			
2021	\$ 1,240,000	\$ 386,542	\$ 1,626,542
2022	1,365,000	323,726	1,688,726
2023	1,355,000	254,585	1,609,585
2024	1,495,000	185,950	1,680,950
2025	2,175,000	110,228	2,285,228
	<u>\$ 7,630,000</u>	<u>\$ 1,261,031</u>	<u>\$ 8,891,031</u>

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.

Note 6 - Capital Lease Obligations

A summary of capital lease obligations ending balances and transactions for the years ended December 31, 2020 and 2019, is as follows:

	December 31, 2020 and 2019					
	Balance January 1, 2019	2019 Additions	2019 Reductions	Balance December 31, 2019	2020 Additions	2020 Reductions
Capital lease obligations	<u>\$ 1,079,648</u>	<u>\$ -</u>	<u>\$ 427,596</u>	<u>\$ 652,052</u>	<u>\$ -</u>	<u>\$ 249,571</u>
						<u>\$ 402,481</u>

A summary of the Authority's capital lease obligations is as follows:

	December 31,	
	2020	2019
Capital lease for the purchase of parking garage access and revenue control systems, quarterly payments of \$18,222, \$23,549, and \$25,010 including interest that ranged from 3.484% to 4.132%, and maturity dates that ranged from November 2019 to October 2020	\$ -	\$ 75,151
Capital lease for the purchase of multi-space meters, monthly payments of \$16,019 including interest of 3.06%, and maturity date of February 2023	416,483	608,706
	<u>416,483</u>	<u>683,857</u>
Less amount representing interest	14,002	31,805
Present value of long-term obligation under capital lease	<u>\$ 402,481</u>	<u>\$ 652,052</u>

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 6 - Capital Lease Obligations - Continued

A summary of the Authority's future maturities under these capital lease obligations is as follows:

	Principal	Interest	Totals
For the year ending December 31,			
2021	\$ 182,452	\$ 9,771	\$ 192,223
2022	188,114	4,109	192,223
2023	31,915	122	32,037
	<u>\$ 402,481</u>	<u>\$ 14,002</u>	<u>\$ 416,483</u>

The total cost of capital assets acquired under the capital lease arrangements was approximately \$1,212,000 at both December 31, 2020 and 2019. The related accumulated depreciation was approximately \$615,900 and \$367,000 at December 31, 2020 and 2019, respectively.

Interest expense on the capital lease obligation for the years ended December 31, 2020 and 2019 was approximately \$15,200 and \$30,700, respectively.

Note 7 - Pension Plans

a. Plan Description and Benefits Provided

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

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:

2020	\$ 228,851
2019	228,096
2018	219,121

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

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

Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Pension Plans - Continued

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

At December 31, 2020 and 2019, the Authority reported a liability of approximately \$1,833,500 and \$495,400, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of April 1, 2019 and 2018, respectively. The Authority's proportion of the net pension 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, 2020 and 2019, the Authority's proportion was 0.0069238 and 0.0069919%, respectively.

For the years ended December 31, 2020 and 2019, the Authority recognized pension expense of approximately \$610,000 and \$315,000, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31, 2020 and 2019:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 107,906	\$ -	\$ 97,554	\$ 33,255
Changes of assumptions	36,917	31,877	124,522	-
Net differences between projected and actual investment earnings on pension plan investments	939,918	-	-	127,146
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,030	107,062	57,955	101,997
Authority contributions subsequent to the measurement date	228,851	-	228,096	-
Total	<u>\$ 1,341,622</u>	<u>\$ 138,939</u>	<u>\$ 508,127</u>	<u>\$ 262,398</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, 2021. 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,	
2021	\$ 154,641
2022	237,210
2023	318,135
2024	<u>263,846</u>
Total	<u>\$ 973,832</u>

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Pension Plans - Continued

d. Actuarial Assumptions

The total pension liability at March 31, 2020 and 2019 was determined by using an actuarial valuation as of April 1, 2019 and April 1, 2018, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2020 and March 31, 2019. The actuarial valuation used the following actuarial assumptions. The assumptions are consistent year to year, except as noted:

Actuarial cost method	Entry age normal
Inflation rate	2.5%
Salary scale	4.2%, indexed by service
Investment rate of return, including inflation	
2020	6.8%, compounded annually, net of investments
2019	7.0%, compounded annually, net of investments
Cost of living adjustment	1.3%
Decrement	Based on FY 2010-2015 experience
Mortality improvement	System Experience and Society of Actuaries

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	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-indexed bonds	4.00%	0.50%
	<u>100.00%</u>	

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Pension Plans - Continued

f. Discount Rate

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

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

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2020 calculated using the discount rate of 6.8%, as well as what the Authority's proportionate share of the net pension liability would be as of December 31, 2020, if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Current Discount (6.80%)</u>	<u>1% Increase (7.80%)</u>
Authority's proportionate share of the net pension liability	\$ 3,364,908	\$ 1,833,455	\$ 422,981

h. Pension Plan Fiduciary Net Position

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

	<u>2020</u>	<u>2019</u>
Employers' total pension liability	\$ 194,596,261	\$ 189,803,429
Plan net position	<u>(168,115,682)</u>	<u>(182,718,124)</u>
Employers' net pension liability	<u>\$ 26,480,579</u>	<u>\$ 7,085,305</u>
Ratio of plan net position to the employers' total pension liability	<u>86.39%</u>	<u>96.27%</u>

i. Deferred Compensation Plan

The Authority participates in the State of New York Deferred Compensation Plan organized in accordance with Section 457 of the Internal Revenue Code and Section 5 of the State Finance Law of the State of New York. Participation in the plan for eligible Authority employees is considered voluntary. There were 15 employees participating in this plan at both December 31, 2020 and 2019. The Authority is not required to, and did not, make contributions to the Plan.

Albany Parking Authority
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Notes to Financial Statements
December 31, 2020 and 2019

Note 8 - Postemployment Benefits Other Than Pensions (OPEB)

a. Benefit Description

The Authority provides health care insurance benefit programs for most retired Authority employees and, in certain instances, their spouses and dependents. Those Authority employees determined to be eligible by the Authority receive such benefits when they attain a certain age and service requirements while employed by the Authority. A summary of active employees and retirees and survivors covered under this benefit program as of December 31, 2020 and 2019 (using measurement dates of January 1, 2020 and 2019, respectively) is as follows:

	2020	2019
Active employees	38	38
Retirees and survivors	6	6
Total	44	44

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, 2020 and 2019, the Authority paid approximately \$49,300 and \$57,400, 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, 2020 and 2019, the Authority reported an OPEB liability of approximately \$8,430,700 and \$6,090,000, respectively. The OPEB liability was measured as of December 31, 2020 and 2019 by actuarial valuations as of January 1, 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of approximately \$535,400 and \$532,200, respectively. At December 31, 2020 and 2019, the Authority reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 283,454	\$ 346,472	\$ 678,015
Differences between expected and actual experience	1,939,901	588,802	-	326,401
Authority contributions subsequent to the measurement date	52,388	-	49,347	-
Total	\$ 1,992,289	\$ 872,256	\$ 395,819	\$ 1,004,416

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

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

Contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2021. 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,	
2021	\$ (129,354)
2022	(129,354)
2023	(129,354)
2024	(129,354)
2025	(129,354)
Thereafter	<u>(420,875)</u>
Total	<u>\$ (1,067,645)</u>

d. Methods and Assumptions

The total OPEB liability in the December 31, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	January 1, 2019 (2020 and 2019)
Measurement date	January 1, 2020 (2020) January 1, 2019 (2019)
Actuarial cost method	Entry age normal - level percent of pay (2020 and 2019)
Discount rate	2.74% (2020) 4.10% (2019) Source: Bond Buyer Weekly 20-Bond GO Index
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model (2020 and 2019)
Salary scale	2.75% (2020 and 2019)
Rate of inflation	2.40% (2020 and 2019)
Mortality - actives	RPH-2014 mortality table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020 (2020) MP-2019 (2019)
Mortality - retirees	RPH-2014 mortality table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020 (2020) MP-2019 (2019)
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation June 2019 (2020 and 2019)
Election percentage	100% - retiree (2020 and 2019) 90% - retiree's spouse (2020 and 2019) 0% - surviving spouse (2020 and 2019)
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 (2020 and 2019)

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

e. Changes in the OPEB Liability

	<u>2020</u>	<u>2019</u>
Balance, beginning of the year	\$ 6,089,727	\$ 6,751,494
Changes for the year		
Service cost	275,441	290,903
Interest	259,960	241,271
Differences between expected and actual experience	-	(369,348)
Changes in assumptions and other inputs	1,854,943	(767,228)
Benefit payments	<u>(49,347)</u>	<u>(57,365)</u>
Balance, end of the year	<u>\$ 8,430,724</u>	<u>\$ 6,089,727</u>

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, 2020 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:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Accrued postemployment health benefits	\$ 6,654,664	\$ 8,430,724	\$ 10,830,028

The following presents the OPEB liability as of December 31, 2020 calculated using the discount rate of 2.74%, 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:

	<u>1% Decrease 1.74%</u>	<u>Current Discount 2.74%</u>	<u>1% Increase 3.74%</u>
Accrued postemployment health benefits	\$ 10,379,333	\$ 8,430,724	\$ 6,927,787

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Note 9 - Transactions with the City

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

The agreement also requires the City to annually pay the costs incurred by the Authority associated with enforcement (capital and operating) arising from the employment of personnel, as well as associated plant and equipment utilized by the Authority for enforcement of parking rules. In addition, the Authority may annually pay a licensing fee to the City for the easement and license of the parking meters within the City, which will be agreed upon each year by the City and the Authority. The costs incurred by the Authority under this agreement during 2020 and 2019, net of the licensing fee, amounted to \$1,325,315 and \$489,013, respectively. The City owed the Authority approximately \$422,000 and \$213,000 at December 31, 2020 and 2019, 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.

Note 10 - Commitments, Risks and Uncertainties

a. Lease Revenue

The Authority leases a portion of Garage #2 to the United States Postal Service (Postal Service) pursuant to an agreement expiring June 2024.

Rental payments amounted to approximately \$118,800 and \$114,100 during the years ended December 31, 2020 and 2019, respectively. Future minimum annual rentals receivable under the lease at December 31, 2020 are as follows:

For the year ending December 31,	
2021	\$ 118,800
2022	118,800
2023	118,800
2024	<u>59,400</u>
	<u><u>\$ 415,800</u></u>

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Notes to Financial Statements
December 31, 2020 and 2019

Note 11 - Accounting Pronouncement Issued But Not Yet Implemented

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the issuance of the standard in January 2020. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or

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Note 11 - Accounting Standards Issued But Not Yet Implemented - Continued

adding or changing fallbacks provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods beginning after December 31, 2021. The requirements to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a government or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator to require to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 5, 2022.

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and amendment of GASB Statements No 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement has three objectives: (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically

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Note 11 - Accounting Standards Issued But Not Yet Implemented - Continued

perform; (2) to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans (OPEB), and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) to enhance the relevance, consistency, and comparability of the accounting and financial reporting for the Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this statement are effective immediately, and certain requirements are effective for reporting periods beginning after June 15, 2021.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	0.0069238%	0.0069919%	0.0070730%	0.0063876%	0.0047966%	0.0035951%
Authority's proportionate share of the net pension liability	\$ 1,833,455	\$ 495,395	\$ 228,276	\$ 600,192	\$ 769,869	\$ 121,453
Authority's covered-employee payroll	\$ 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 as a percentage of its covered-employee payroll	106.24%	29.61%	14.58%	38.71%	51.54%	7.78%
Plan fiduciary net position as a percentage of the total pension liability	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.

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Required Supplementary Information
Schedule of Local Government Pension Contributions

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 228,851	\$ 228,096	\$ 219,121	\$ 212,994	\$ 211,462	\$ 223,476	\$ 143,412	\$ 146,011	\$ 171,675	\$ 129,810
Contributions in relation to the contractually required contribution	228,851	228,096	219,121	212,994	211,462	223,476	143,412	146,011	171,675	129,810
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	1,725,760	1,672,895	1,565,631	1,550,338	1,493,836	1,561,158	798,234	837,275	921,641	926,878
Contribution as a percentage of covered-employee payroll	13.26%	13.63%	14.00%	13.74%	14.16%	14.31%	17.97%	17.44%	18.63%	14.01%

See Independent Auditor's Report.

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**Required Supplementary Information
Schedule of Other Postemployment Benefits Liability**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of the year	\$ 6,089,727	\$ 6,751,494	\$ 5,861,854
Changes for the year			
Service cost	275,441	290,903	271,212
Interest	259,960	241,271	230,865
Changes in assumptions and other inputs	-	(767,228)	438,618
Differences between expected and actual experience	1,854,943	(369,348)	-
Benefit payments	<u>(49,347)</u>	<u>(57,365)</u>	<u>(51,055)</u>
Net changes for the year	<u>2,340,997</u>	<u>(661,767)</u>	<u>889,640</u>
Balance, end of the year	<u>\$ 8,430,724</u>	<u>\$ 6,089,727</u>	<u>\$ 6,751,494</u>
Covered payroll	1,670,844	1,586,614	1,587,911
Liability as a percentage of covered payroll	504.58%	383.82%	425.18%

Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.

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Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2020							
	Garage #1	Garage #2	Garage #3	Parking Meters	Surface Lots	Office/ Administration	Enforcement	Total
OPERATING REVENUES	\$ 1,177,542	\$ 1,405,773	\$ 629,230	\$ 1,505,238	\$ 145,740	\$ -	\$ 1,488,182	\$ 6,351,705
OPERATING EXPENSES								
Salaries and benefit expenses	-	2,526	-	88,384	-	1,941,104	1,797,453	3,829,467
Repairs and maintenance	299,962	254,494	83,887	513	276	34,191	92,411	765,734
Utilities	14,431	16,376	33,188	-	-	-	-	63,995
Professional fees	-	-	2,860	-	-	97,868	4,087	104,815
Depreciation	195,325	279,293	336,154	251,285	4,574	21,667	88,024	1,176,322
Meter supplies and equipment	-	-	-	39,831	-	-	-	39,831
Licensing fee	-	-	-	162,867	-	-	-	162,867
Insurance	-	-	-	-	-	146,016	-	146,016
Computerization	2,940	8,077	-	129,072	4,704	126,484	5,022	276,299
Credit card fees	8,982	12,362	8,770	119,771	3,168	-	-	153,053
Miscellaneous	2,187	3,938	8,443	650	39,470	142,306	69,364	266,358
Total operating expenses	523,827	577,066	473,302	792,373	52,192	2,509,636	2,056,361	6,984,757
Operating income (loss)	653,715	828,707	155,928	712,865	93,548	(2,509,636)	(568,179)	(633,052)
NONOPERATING REVENUE (EXPENSES)								
Interest income	4,305	4,307	4,305	-	-	-	-	12,917
Amortization of bond insurance premiums and deferred losses	(16,016)	(16,016)	(16,016)	-	-	-	-	(48,048)
Interest expense	(116,089)	(118,629)	(116,089)	(15,263)	-	-	-	(366,070)
Gain on disposal of capital assets	1,081	1,017	1,017	1,216	-	-	-	4,331
Allocation of administration expenses	(501,670)	(507,413)	(509,119)	(576,756)	(414,678)	2,509,636	-	-
Total nonoperating revenue (expenses)	(628,389)	(636,734)	(635,902)	(590,803)	(414,678)	2,509,636	-	(396,870)
Excess (deficiency) of revenues over expenses	\$ 25,326	\$ 191,973	\$ (479,974)	\$ 122,062	\$ (321,130)	\$ -	\$ (568,179)	\$ (1,029,922)

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Supplementary Information - Schedules of Revenues and Expenses by Operating Department

	Year Ended December 31, 2019							
	<u>Garage #1</u>	<u>Garage #2</u>	<u>Garage #3</u>	<u>Parking Meters</u>	<u>Surface Lots</u>	<u>Office/ Administration</u>	<u>Enforcement</u>	<u>Total</u>
OPERATING REVENUES	<u>\$ 1,373,217</u>	<u>\$ 1,737,808</u>	<u>\$ 958,632</u>	<u>\$ 2,788,172</u>	<u>\$ 237,799</u>	<u>\$ -</u>	<u>\$ 1,448,013</u>	<u>\$ 8,543,641</u>
OPERATING EXPENSES								
Salaries and benefit expenses	1,958	5,193	197	109,788	-	1,501,090	1,396,001	3,014,227
Repairs and maintenance	184,076	63,131	54,699	6,325	23,148	44,259	92,190	467,828
Utilities	16,748	16,462	32,866	-	-	-	-	66,076
Professional fees	-	2,750	8,354	-	-	153,989	55,242	220,335
Depreciation	199,877	289,806	344,536	253,460	30,593	96,266	18,705	1,233,243
Meter supplies and equipment	-	-	-	14,634	-	-	-	14,634
Licensing fee	-	-	-	959,000	-	-	-	959,000
Insurance	-	-	-	-	-	140,946	-	140,946
Computerization	2,940	11,580	-	121,377	4,214	112,392	294	252,797
Credit card fees	12,236	17,818	12,229	196,858	5,600	-	-	244,741
Miscellaneous	15,719	15,463	17,620	6,170	120,749	263,132	61,142	499,995
Total operating expenses	<u>433,554</u>	<u>422,203</u>	<u>470,501</u>	<u>1,667,612</u>	<u>184,304</u>	<u>2,312,074</u>	<u>1,623,574</u>	<u>7,113,822</u>
Operating income (loss)	<u>939,663</u>	<u>1,315,605</u>	<u>488,131</u>	<u>1,120,560</u>	<u>53,495</u>	<u>(2,312,074)</u>	<u>(175,561)</u>	<u>1,429,819</u>
NONOPERATING REVENUE (EXPENSES)								
Interest income	12,582	12,581	12,580	-	-	-	-	37,743
Amortization of bond insurance premiums and deferred losses	(16,016)	(16,017)	(16,016)	-	-	-	-	(48,049)
Interest expense	(152,959)	(160,209)	(149,194)	(20,589)	-	-	-	(482,951)
Gain (loss) on disposal of capital assets	1,681	1,817	1,854	(24,380)	803			(18,225)
Allocation of administration expenses	<u>(365,789)</u>	<u>(388,358)</u>	<u>(395,061)</u>	<u>(924,863)</u>	<u>(160,438)</u>	<u>2,234,509</u>	<u>-</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>(520,501)</u>	<u>(550,186)</u>	<u>(545,837)</u>	<u>(969,832)</u>	<u>(159,635)</u>	<u>2,234,509</u>	<u>-</u>	<u>(511,482)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 419,162</u>	<u>\$ 765,419</u>	<u>\$ (57,706)</u>	<u>\$ 150,728</u>	<u>\$ (106,140)</u>	<u>\$ (77,565)</u>	<u>\$ (175,561)</u>	<u>\$ 918,337</u>

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Supplementary Information – Schedule of Capital Assets

	December 31, 2020							
	<u>Garage #1</u>	<u>Garage #2</u>	<u>Garage #3</u>	<u>Parking Meters/ Other Equipment</u>	<u>Surface Lots</u>	<u>Office/ Administration</u>	<u>Enforcement</u>	<u>Total</u>
Land	\$ -	\$ 2,537,493	\$ 1,237,188	\$ -	\$ -	\$ -	\$ -	\$ 3,774,681
Garages and improvements	5,295,356	7,301,849	9,460,567	-	-	-	-	22,057,772
Furniture and equipment	557,146	477,547	362,575	-	22,872	165,306	301,840	1,887,286
Meters and other equipment	-	-	-	1,225,995	-	-	-	1,225,995
	5,852,502	10,316,889	11,060,330	1,225,995	22,872	165,306	301,840	28,945,734
Less accumulated depreciation	4,749,502	6,204,580	4,589,659	615,871	19,441	64,455	225,985	16,469,493
Net capital assets	<u>\$ 1,103,000</u>	<u>\$ 4,112,309</u>	<u>\$ 6,470,671</u>	<u>\$ 610,124</u>	<u>\$ 3,431</u>	<u>\$ 100,851</u>	<u>\$ 75,855</u>	<u>\$ 12,476,241</u>
	December 31, 2019							
	<u>Garage #1</u>	<u>Garage #2</u>	<u>Garage #3</u>	<u>Parking Meters/ Other Equipment</u>	<u>Surface Lots</u>	<u>Office/ Administration</u>	<u>Enforcement</u>	<u>Total</u>
Land	\$ -	\$ 2,537,493	\$ 1,237,188	\$ -	\$ -	\$ -	\$ -	\$ 3,774,681
Garages and improvements	5,082,965	7,301,849	9,430,067	-	-	-	-	21,814,881
Furniture and equipment	584,114	509,685	498,953	-	22,872	134,343	301,840	2,051,807
Meters and other equipment	-	-	-	1,212,045	-	-	-	1,212,045
	5,667,079	10,349,027	11,166,208	1,212,045	22,872	134,343	301,840	28,853,414
Less accumulated depreciation	4,609,175	5,985,454	4,417,911	366,911	14,867	48,254	137,961	15,580,533
Net capital assets	<u>\$ 1,057,904</u>	<u>\$ 4,363,573</u>	<u>\$ 6,748,297</u>	<u>\$ 845,134</u>	<u>\$ 8,005</u>	<u>\$ 86,089</u>	<u>\$ 163,879</u>	<u>\$ 13,272,881</u>



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

Board of Directors
Albany Parking Authority
Albany, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Albany Parking Authority, (Authority), a component unit of the City of Albany, New York, as of and for the year ended December 31, 2020, 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 16, 2021.

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. 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.

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*.

Purpose of this Report

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

BST+Co.CPAs, LLP

Albany, New York
March 16, 2021

