GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)

AUDITED FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTAL INFORMATION

As of and for the year ended March 31, 2024
(with memorandum totals as of March 31, 2023)

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (a public benefit corporation and component unit of the State of New York) (the "Egg"), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation as of March 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of local government's proportionate share of the net pension liability, schedule of pension contributions, and schedule of changes in the net other postemployment benefits on pages 4-8 and 25-27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We previously audited Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024 on our consideration of Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's internal control over financial reporting and compliance.

UHY LLP

Hudson, New York
September 23, 2024

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation, hereafter referred to as the "Egg", is pleased to present its 2023-2024 Annual Financial Report developed in compliance with the Statement of Governmental Standard No. 34 (GASB 34) and related standards.

1. Responsibilities and Controls

The management of the Egg has prepared and is responsible for the financial statements and related information included in this report. A system of internal controls is maintained to provide reasonable assurance that assets are safeguarded and 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 that its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Egg's system of internal accounting controls is evaluated on an ongoing basis by the Egg'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.

The Finance Committee of the Egg's Board of Directors serves the role of an Audit Committee. It is composed of members of the Board who are not employees of the Egg and who provide a broad view of management's financial reporting and control functions. Periodically, this Committee meets with management and the independent external auditors to ensure these groups are fulfilling their obligations and to discuss auditing, controls and financial reporting matters.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Egg'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 aspects, the financial position, results of operations, and cash flows of the Authority in conformity with the accounting principles generally accepted in the United States of America.

2. Audit Assurance

The unmodified (i.e. clean) opinion of our independent external auditors, UHY LLP, is included on pages 1-3 of this report. This section presents management's discussion and analysis of the Egg's financial condition and activities for the year ended March 31, 2024. This information should be read in conjunction with the financial statements.

3. Financial and Organizational Highlights

The following are some highlights of the last fiscal year:

The Egg continues to recover from the decline in income caused by COVID-19. Ticket revenue is up by almost 20% over the past year and rental and commission revenue is up by approximately 27% over the past year, both of which are the result of hosting more shows and events and higher attendance. During this fiscal year, Diane Eber was hired as the new Executive Director. The board approved an addendum to the 2023 fiscal year budget to hire a public relations firm, which caused an increase in expenses. The Egg did not incur as many of these costs during the year ended March 31, 2024. Ticket handling fees (including production and credit card fees) increased by about 35% to 40% compared to 2023 fiscal year. Concession sales increased with the availability of beverages at the theater, which more than doubled from the totals experienced during the year ended March 31, 2023.

4. Required Financial Statements

The financial statements for the Egg report information about the accounting methods which are used and are similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities.

The statement of net position includes all of the Egg's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Egg's creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and change in net position. This statement measures the success of the Egg's operations over the past year and can be used to determine whether the Egg has successfully met all its costs and fees through its admissions and rental of the facility.

The statement of cash flows presents how the Egg generates and uses its cash and cash equivalents in operations, financing, and investing activities. Positive results from operating activities indicate that income from operations generated cash while a negative result indicates a use of cash. Negative investing and financing activities indicate a use of cash to acquire assets or pay back long-term debt.

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

5. Summary of Organization and Business

The Egg was created by an act of Legislation in 1979 to provide upstate New York with a world class performing arts center in order to present the finest artistic talent in New York State as well as provide a venue for international artists. A public benefit corporation, the Egg presents world class modern dance and family entertainment, as well as a wide variety of music and theater events. Although predominantly local, the Egg's audience comes from Western Massachusetts, Syracuse, Poughkeepsie, the Adirondack Region, as well as national and international tour groups. In addition, it is the Egg's policy to provide free tickets to many public service organizations in the Capital Region so that those who are living below the poverty level can have the same cultural opportunities as those who can afford a full price ticket. In this way, as well as programming, the Egg attracts the most diverse audiences, bringing them together through the shared experience of artistic creation. The Egg also provides space and develops programs for civic, governmental, performing arts, and other cultural and public entities for the benefit of the citizens of New York State, as well as the departments and agencies of New York State government.

The Egg pays the New York State Office of General Services (OGS), a related party, for its maintenance, insurance, parking and telephones. The venue is maintained by OGS but is operated and managed by the Egg and consists of the Kitty Carlisle Hart Theater (982 seats) and The Lewis A. Swyer Theater (445 seats). Each theater offers a spacious lounge area; the Hart Theater Lounge is capable of holding large receptions. Offices are located on the Concourse and P-1 Levels of the Empire State Plaza; the P-1 area contains a scene shop, costume shop, paint room, two large rehearsal rooms as well as storage.

6. General Authority Data

The Egg hosted approximately 160 events during its 2023-2024 season, with approximately 65,500 people attending those events.

7. Financial Analysis

The following comparative condensed financial statements and other selected information provide key financial data and indicators for management, monitoring, and planning for the years ended March 31, 2024 and 2023:

Condensed Statement of Net Position

	2024	2023	$ Change	% Change
ASSETS				
Current assets	$ 2,331,937	$ 2,266,653	$ 65,284	3
Equipment, net	9,955	5,238	4,717	90
Total assets	2,341,892	2,271,891	70,001	3
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	292,742	103,413	189,329	183
LIABILITIES				
Current liabilities	908,614	774,969	133,645	17
Non-current liabilities				
Net pension obligation	307,227	-	307,227	N/A
Other postemployment benefits	1,400,095	1,342,441	57,654	4
Total non-current liabilities	1,707,322	1,342,441	364,881	27
Total liabilities	2,615,936	2,117,410	498,526	24
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	91,492	156,233	(64,741)	(41)
NET POSITION (DEFICIT)				
Invested in capital assets	9,955	5,238	4,717	90
Unrestricted	(82,749)	96,423	(179,172)	(186)
Total net position (deficit)	$ (72,794)	$ 101,661	$ (174,455)	172

Condensed Statement of Revenues, Expenses and Change in Net Position

	2024	2023	$ Change	% Change
Operating revenue	$ 1,994,041	$ 1,627,082	$ 366,959	23
Non-operating revenue	250,869	897,595	(646,726)	(72)
Total revenues	2,244,910	2,524,677	(279,767)	(11)
Depreciation expense	4,297	3,500	797	23
Other operating expense	2,357,414	1,943,909	413,505	21
Total expenses	2,361,711	1,947,409	414,302	21
Change in net position, before OPEB	(116,801)	577,268	(694,069)	(120)
OPEB expense (benefit)	57,654	(328,870)	386,524	(118)
Change in net position	(174,455)	906,138	(1,080,593)	(119)
Net position (deficit), beginning of year	101,661	(804,477)	906,138	113
Net position (deficit), end of year	$ (72,794)	$ 101,661	$ (174,455)	(172)

8. Financial Condition:

The overall financial position of the Egg was stable at March 31, 2024. The theaters have been open for several years after the COVID-19 pandemic shutdown which has allowed the Egg to recover a large portion of ticket sales losses and other lost revenues caused by said shutdown. During the year ended March 31, 2024, the Egg experienced a decrease of $174,455 in net position. This was influenced in large part by the roughly $414,000 increase in operating and non-operating expenses compared to a roughly $367,000 increase in operating revenues. In addition, the other postemployment benefit amounts were negatively impacted by approximately $95,000 of related expenses for the year ended March 31, 2024 that actually netted to a benefit for the year ended March 31, 2023. This was most directly related to the Egg recognizing an other postretirement benefits (OPEB) expense of $53,764 for the year ended March 31, 2024 as opposed to the OPEB benefit for the year ended March 31, 2023.

As of March 31, 2024 and 2023, net working capital was $1,423,323 and $1,491,684, respectively. Net working capital decreased from prior year due to an increase in accounts payable and vendor tickets payable related to shows and events that were not held before the end of the 2024 fiscal year.

Operating revenues increased from 2023 to 2024 due to more ticket sales from people attending more shows after becoming more comfortable being in larger crowds and confined spaces and holding more shows and events throughout the year. In addition, the increased attendance coupled with the ability to begin to sell beverages at the concessions stand resulted in increased concessions revenues compared to the year ended March 31, 2023. Nonoperating revenues decreased significantly by approximately $647,000 due to the end of the shuttered venues operating grant recognized in the year ended March 31, 2023.

The Egg experienced an increase of $414,032 in operating expenses from 2023 to 2024. This was due mainly to the reopening of theaters, which resulted in the payment of $61,595 more for artist fees to the artists during the year ended March 31, 2024 compared to the artist fees paid during the year ended March 31, 2023. In addition, the hiring of new staff and increases to pay rates and salaries led to an increase of salaries and wages expense of $152,590 from 2023 to 2024. These hirings and increases to wages led to increases of $168,372 of employee benefits and payroll taxes expenses for 2024 compared to 2023.

As noted in previous financial statements, over the past two decades, the Egg has received a significant portion of its operating revenue from the State of New York. These funds remain critical to the Egg’s ability to deliver on its mission to present a wide range of artistic talent to its diverse audience.

Compared to its operating budget, the Egg’s total revenues for the year ended March 31, 2024 were overbudget by approximately $112,000, mainly due concessions and other rental income exceeding budgeted balances by approximately $90,000. The Egg’s total expenses were overbudget by approximately $286,000, mainly as the result of salaries and wages exceeding its budgeted balance by approximately $140,000 and related payroll taxes and benefits exceeding their budgeted balance by approximately $39,000. These amounts being overbudget resulted from the Egg getting the necessary licenses to sell alcohol at events and also the hiring of new employees to keep up with increased number of shows and events during the year compared to the prior year.

9. Capital Assets and Long-Term Obligations

The Egg currently has approximately $268,000 of capital assets, which are about 96% depreciated over their respective useful lives in the aggregate. No significant capital asset purchases were made during the year ended March 31, 2024, with the Egg recognizing approximately $4,300 of depreciation expense related to its capital assets during the fiscal year.

The Egg currently has long-term obligations associated with its pension and other postemployment employment benefits. With its current cash flow, the Egg has been able to pay all other vendors within the prompt payment guidelines that have been established by management.

10. Contacting the Authority's Financial Manager

This financial report is intended to provide a general overview of the Egg's fiscal health and to illustrate the Egg's accountability for the revenue it receives. If you have questions about this report or need further information, contact the Executive Director, Diane Eber at The Egg, PO Box 2065, Albany, NY 12220 or at www.theegg.org.

11. Principal Officials

The Egg's Board of Directors is as follows as of March 31, 2024:

Name	Appointed by
Mary A. Griffin, Chair	Governor
Scott Palladino, Vice-Chair	Governor
John Regan, Treasurer	Albany County Executive
Anna Scaife, Secretary	Commissioner of the Office of General Services
Susan T. Cleary	Governor
James I. Sullivan	Governor
Catherine A. Barber	Governor
Christine Henseler	Governor
Stacey B. Rowland	Governor
Christopher Cernik	Speaker of the Assembly
Adrienne Bonilla	Speaker of the Assembly
Maston Sansom	President of the Senate
Dr, Dorcey Applyrs	President of the Senate

Diane Eber, Executive Director

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)
STATEMENT OF NET POSITION
March 31, 2024
(with memorandum totals as of March 31, 2023)

	2024	2023 (memorandum only)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 2,236,234**	$ 2,184,242
Accounts receivable	**23,764**	20,999
Prepaid expenses	**71,939**	61,412
Total current assets	**2,331,937**	2,266,653
Equipment, net	**9,955**	5,238
Net pension asset	**-**	15,694
Total assets	**2,341,892**	2,287,585
DEFERRED OUTFLOWS OF RESOURCES:		
Differences between expected and actual experience, changes in assumptions, net difference between projected and actual investment earnings and pension plan investments, and changes in proportion and differences between contributions and proportionate share of contributions - pension plan	**240,668**	34,963
Contributions to pension plan subsequent to measurement date	**52,074**	52,756
Total deferred outflows of resources	**292,742**	87,719
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	**170,404**	138,269
Unearned revenue	**173,188**	284,639
Vendor tickets payable	**565,022**	352,061
Total current liabilities	**908,614**	774,969
Non-current liabilities:		
Net pension obligation	**307,227**	-
Other post retirement benefits	**1,400,095**	1,342,441
Total non-current liabilities	**1,707,322**	1,342,441
Total liabilities	**2,615,936**	2,117,410
DEFERRED INFLOWS OF RESOURCES		
Changes of assumptions and changes in proportion and differences between contributions and proportionate share of contributions	**91,492**	156,233
NET POSITION (DEFICIT)		
Net position (deficit):		
Unrestricted	**(82,749)**	96,423
Invested in capital assets	**9,955**	5,238
Total net position (deficit)	**$ (72,794)**	$ 101,661

See notes to financial statements.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the year ended March 31, 2024
(with memorandum totals as of March 31, 2023)

	2024	2023 (memorandum only)
OPERATING REVENUES		
Ticket sales	**$ 731,721**	$ 612,891
Rental and commission revenue	**1,001,412**	790,593
Concession revenue	**73,795**	34,918
Corporate and foundation grants	**18,887**	23,256
Federal and state grants	**110,000**	104,900
Individual contributions	**55,500**	57,548
Other	**2,726**	2,976
Total operating revenues	**1,994,041**	1,627,082
OPERATING EXPENSES		
Salaries and wages	**980,216**	827,626
Employee benefits	**257,909**	89,537
Payroll taxes	**79,476**	73,418
Artist fees	**534,418**	472,823
Advertising	**17,394**	14,233
Professional fees	**70,449**	67,439
Production:		
Hospitality	**60,063**	44,852
Supplies and licenses	**20,349**	22,678
Equipment rental and maintenance	**52,815**	49,233
Credit card and bank fees	**95,299**	66,192
Depreciation	**4,297**	3,500
Maintenance - NYS OGS	**123,954**	123,954
Insurance	**26,677**	16,734
Office supplies	**7,471**	9,732
Utilities	**3,614**	3,225
Publication	**4,202**	5,479
Travel and enterainment	**1,565**	291
Other	**16,724**	56,463
Bad Debt Expense	**4,819**	-
Total operating expenses	**2,361,711**	1,947,409
OPERATING LOSS BEFORE POSTEMPLOYMENT BENEFITS EXPENSE	**(367,670)**	(320,327)
Other postemployment benefits (OPEB) (expense) benefit	**(57,654)**	328,870
OPERATING (LOSS) INCOME	**(425,324)**	8,543
NON-OPERATING REVENUE		
Shuttered venues operating grant	**-**	661,450
Interest	**30,869**	16,145
Total non-operating revenue	**30,869**	677,595
Appropriation from New York State	**220,000**	220,000
CHANGE IN NET POSITION	**(174,455)**	906,138
NET POSITION DEFICIT, Beginning of year	**101,661**	(804,477)
NET POSITION DEFICIT, End of year	**$ (72,794)**	$ 101,661

See notes to financial statements.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)
STATEMENT OF CASH FLOWS
For the year ended March 31, 2024
(with memorandum totals as of March 31, 2023)

	2024	2023 (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers, net	$ 1,690,619	$ 1,526,441
Received from grants and contributions	184,387	185,704
Paid to suppliers and vendors for goods and services	(800,425)	(947,793)
Paid to employees for services, including benefits	(1,202,911)	(1,012,935)
Paid to New York State retirement system	(61,533)	(52,756)
Net cash used for operating activities	(189,863)	(301,339)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(9,014)	(1,840)
Interest received	30,869	16,145
Net cash provided by investing activities	21,855	14,305
CASH FLOWS FROM FINANCING ACTIVITIES		
Appropriation from New York State	220,000	220,000
Net cash provided by financing activities	220,000	220,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51,992	(67,034)
CASH AND CASH EQUIVALENTS, Beginning of year	2,184,242	2,251,276
CASH AND CASH EQUIVALENTS, End of year	$ 2,236,234	$ 2,184,242
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (loss) income	$ (425,324)	$ 8,543
Adjustments to reconcile operating (loss) income to net cash used for operating activities:		
Depreciation	4,297	3,500
Bad debt expense	4,819	-
Pension expense (benefit)	114,690	(22,354)
OPEB expense and health insurance payments to retirees	57,654	(328,870)
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources		
Accounts receivable	(7,584)	(1,643)
Prepaid expenses	(10,527)	49,636
Accounts payable and accrued expenses	32,135	33,946
Unearned revenue	(111,451)	86,706
Vendor tickets payable	212,961	(78,047)
Net pension obligation	(61,533)	(52,756)
Net cash used for operating activities	$ (189,863)	$ (301,339)

See notes to financial statements.

NOTE 1 – NATURE OF ORGANIZATION

Financial Reporting Entity

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (the "Egg") was created as a public benefit corporation under New York State Public Authorities Law Section 66, Chapter 688 of the Laws of 1979 by the New York State Legislature to provide upstate New York with a performing arts center in order to present the finest artistic talent in New York State during each annual season. The Egg presents world-class modern dance and family entertainment, as well as a wide variety of music and theatre events. Although predominantly local, the Egg's audience comes from western Massachusetts, Syracuse, Poughkeepsie, and the Adirondack region, as well as national and international tour groups. In addition, it is the Egg's policy to provide free tickets to many public service organizations in the Capital District so that those living at or below the poverty level can have the same cultural opportunities as those who can afford full-priced tickets. In this way, the Egg attracts the most diverse audiences, bringing them together through the shared experience of artistic creation. The Egg also provides space and develops programs for civic, governmental, performing arts, and other cultural and public entities for the benefit of the citizens of New York State, as well as the departments and agencies of New York State government.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Revenue Recognition

Contributions are recognized when received or in the period of intended use as specified by the donor. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. In some cases, the Egg receives grants that are cost-reimbursable in nature. In these instances, the revenue is recognized when the Egg demonstrates they have incurred the corresponding costs allowed to be reimbursed under the terms of the grant. Grant funds received in advance of the incurrence of corresponding costs are treated as unearned revenue.

Revenues related to specific performances that are generated from ticket sales, rental of venues, and concession sales are recognized on the date the show is performed. Funds received in advance of the performance are recorded as unearned revenue until recognized. Revenues related to customer rental of space from the Egg, which totaled $934,989 for the year ended March 31, 2024, are recorded and recognized on the date of the event.

Operating revenues include revenue generated from ongoing operating activities. Non-operating revenues include investing, financing, and other non-recurring activities.

Deferred Outflows/Inflows of Resources

Government accounting Standards Board's (GASB) Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,"* and GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities,"* defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

Statement No. 63 changes how governments organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet).

As a result of Statement No. 63, financial statements will include deferred outflows of resources and deferred inflows of resources ("deferrals"), in addition to assets and liabilities, and reports net position instead of net assets.

The Egg applies GASB Statement No. 68, *"Accounting and Financial Reporting For Pensions – An Amendment of GASB Statement No. 27."* This statement improves accounting and financial reporting by state and local governments for pensions and improves the information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The Egg is required to record deferred outflows and inflows of resources related to its obligation to the New York State and Local Employees' Retirement System as a result of this statement.

Other Postemployment Benefits (OPEB)

The Egg applies GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."* This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions and requires the immediate recognition of OPEB expense, rather than allowing the government entity to choose the recognition period of the effects of changes in benefit terms.

Budgetary Data

The budget policies are as follows:

In March of each year the proposed budget for the upcoming year is presented to the board of directors for approval.

Use of Estimates

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

Income Taxes

A provision for income tax has not been provided for in these financial statements, as the Egg is a not-for-profit public benefit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Egg has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Egg considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments

GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – An Amendment of GASB Statement No. 3,"* directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution in the Egg's name. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, obligations of New York State or its municipalities, and certificates of deposit with maturities greater than three months.

Accounts Receivable

Accounts receivable balances are carried at the original invoice amount less any estimated allowance for uncollectible accounts. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management determined no allowances for uncollectible accounts were required for the year ended March 31, 2024. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recognized when received.

The Egg generally will not charge interest on past due receivables. A receivable is considered to be past due if the balance is outstanding for more than 90 days.

Concentration of Credit and Market Risk

Financial instruments that potentially expose the Egg to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at a Federal Deposit Insurance Corporation (FDIC) insured financial institution and credit exposure is limited to one institution. The Egg has not experienced any losses with respect to its cash balances. Based upon assessment of the financial condition of this institution, management believes that the risk of loss of any uninsured balance is minimal. The Egg's bank maintains additional collateral to cover cash balances that exceed the FDIC limit.

Concentration of Revenue and Accounts Receivable

During the year ended March 31, 2024, the Egg received approximately 15% of its total revenue from the State of New York, from the State's annual appropriation and through grants from the New York State Council on the Arts (NYSCA), which is a separate agency of the State of New York. The aggregate amount of revenue from this source totaled $330,000 ($220,000 from the State of New York appropriation and $110,000 from NYSCA) for the year ended March 31, 2024. In addition, four individual entities make up 71% of accounts receivable (26%, 18%, 17%, and 10%, respectively) as of the year ended March 31, 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The cost of property and equipment is recorded at cost, except for contributed property and equipment, which is recorded at fair market value. The Egg capitalizes expenditures for acquisitions, renewals, and betterments of capital assets with a cost greater than $500, whereas maintenance and repair costs are expensed as incurred. When property and equipment is sold or retired, the appropriate accounts are relieved of costs and accumulated depreciation, and the resultant gain or loss is credited or charged to operations. The recorded value is depreciated over the useful lives of the related assets using the straight-line method. The estimated useful lives used for determining depreciation of property and equipment ranges from three to five years.

Prepaid Expenses

Prepaid expenses are related to the prepayment of expenses for performances that will occur in the subsequent fiscal year and general operating expenses related to future periods. Included in the prepaid balance at March 31, 2024 is $56,925 that was paid ahead of future performances to secure the services of the performing artists.

Vendor Tickets Payable

Throughout the year, the Egg enters into rental contracts that allow promoters the right to have their artist perform at the Egg for a specified fee plus expenses. The Egg will sell tickets through its box office and will pay the promoters the net proceeds collected after expenses. The balance of vendor tickets payable at March 31, 2024 represents ticket sales collected for shows to be performed under rental contracts in fiscal 2025.

Advertising

Advertising costs are expensed when incurred.

Subsequent Events

Subsequent events have been evaluated through September 23, 2024, which is the date the financial statements were available to be issued.

NOTE 3 – CASH AND CASH EQUIVALENTS

At March 31, 2024, cash deposits of the Egg exceeded FDIC insurance coverage by approximately $2,317,000. It is the policy of the Egg to hold investment reserves with its financial institutions as collateral for the amounts in excess of insured limits.

NOTE 4 – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows as of and for the years ended March 31, 2024 and 2023:

	March 31, 2023	Additions	Disposals	March 31, 2024
Furniture and fixtures	$ 9,588	$ -	$ -	$ 9,588
Office equipment	6,833	-	-	6,833
Computer equipment	62,293	7,916	-	70,209
Theatre equipment	180,164	1,098	-	181,262
	258,878	9,014	-	267,892
Accumulated depreciation	253,640	4,297	-	257,937
Total property and equipment	$ 5,238	$ 4,717	$ -	$ 9,955

Depreciation expense was $4,297 during the year ended March 31, 2024.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Egg pays the New York State Office of General Services (OGS), a related party, for its maintenance, insurance, parking, and telephones. Expenses incurred for maintenance services provided by OGS amounted to $123,954 for the year ended March 31, 2024.

In addition to the services noted above, the Egg utilizes office space and theater space in buildings owned by OGS and incurs no charges for the use of these spaces.

NOTE 6 – PENSION PLAN

Plan Description:

The Egg participates in the New York State and Local Employees' Retirement System (the "System" or "ERS"). This is a cost-sharing multiple employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as a trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report 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, NY 12244.

NOTE 6 – PENSION PLAN (Continued)

Benefits Provided:

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

NOTE 6 – PENSION PLAN (Continued)

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of average final salary is applied for each year of service over 20 years. Tier 6 members with five or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; and (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

<u>Contributions</u>:

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

NOTE 6 – PENSION PLAN (Continued)

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2024	$ 61,533
2023	52,756
2022	15,281

Chapter 57 of the Laws of 2010 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the NYSLRS's average rate and the previous graded rate.
- For subsequent State fiscal years in which the NYSLRS's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the NYSLRS' fiscal years when the local employer opts to participate in the program.

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At March 31, 2024, the Egg reported a liability of $307,227 for its proportionate share of the net pension obligation. The net pension was measured as of March 31, 2023 for fiscal 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022. The Egg's proportion of the net pension liability was based on a projection of the Egg's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2024, the Egg's proportion was 0.0014327%.

NOTE 6 – PENSION PLAN (Continued)

For the year ended March 31, 2024, the Egg recognized a pension expense of $114,690. At March 31, 2024, the Egg reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,722	$ 8,629
Changes of assumptions	149,209	1,649
Net difference between projected and actual investment earnings on pension plan investments	-	1,804
Changes in proportion and differences between the Egg's contributions and proportionate share of contributions	58,737	79,410
The Egg's contributions subsequent to the measurement date	52,074	-
Total	$ 292,742	$ 91,492

$52,074 reported as deferred outflows of resources related to pensions resulting from the Egg's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending March 31,:

2024	$ 29,052
2025	(27,396)
2026	51,523
2027	95,997
	$ 149,176

Actuarial Assumptions:

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2022 with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions:

	ERS
Inflation	2.9%
Salary Increases	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost-of-living adjustment	1.5%

Annuitant mortality rates for fiscal 2024 are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2021.

NOTE 6 – PENSION PLAN (Continued)

Actuarial Assumptions (Continued):

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study completed April 1, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic equity	4.30%	32.0%
International equity	6.85%	15.0%
Private equity	7.50%	10.0%
Real estate	4.60%	9.0%
Opportunistic/absolute return strategy	5.38%	3.0%
Credit	5.43%	4.0%
Real assets	5.84%	3.0%
Fixed income	1.50%	23.0%
Cash	0.00%	1.0%

The real rate of return is net of the long-term inflation assumption of 2.50%.

Discount Rate:

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate 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.

NOTE 6 – PENSION PLAN (Continued)

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

The following presents the Egg's proportionate share of the net pension liability at March 31, 2024 calculated using the current-period discount rate assumption of 5.9%, as well as what the Egg's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability	$ 742,436	$ 307,227	$ (56,441)

Pension Plan Fiduciary Net Position:

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

	Employees' Retirement System (in thousands)
Employers' total pension liability	$ 232,627,259
Plan net position	(211,183,223)
Employers' net pension liability	$ 21,444,036
Ratio of plan net position to the employers' total pension liability	90.78%

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP). The Egg provides continuation of medical insurance coverage to eligible employees that retire directly from employment at the Egg and their spouses after retirement age (average retirement age of 65). No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy – Health insurance premiums for retired individuals of the Egg are equal to the premiums charged for active employees. The Egg pays a portion of the premium for medical coverage for the retired individual and their spouse for the lifetime of the retiree based on the plan chosen by the employee at the time of their retirement.

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The number of participants as of March 31, 2024, the effective date of the latest OPEB valuations, follows:

Active employees	5
Retired employees	1
Total	6

There were 4 participants younger than 65 and 2 over 65 with average age of 48 and 76, respectively.

Total OPEB Liability:

The Egg's total OPEB liability of $1,400,095 was measured as of March 31, 2024, and was determined by an actuarial valuation as of April 1, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the March 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Salary increases	2%
Discount rate	3.45%
Healthcare cost trend rates	4.7% for 2024, 4.8% for 2025, 4.7% for 2026, 4.6% for 2027, 4.5% for 2028, 4.4% for 2029, 4.3% for 2030, and 4.2% thereafter.
Retirees' share of benefit-related costs	A portion of premium paid based on plan chosen for lifetime of employee
Turnover Assumption	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

The discount rate was based on the S&P 20 AA Municipal Bond Index.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

The Egg applies the alternative measurement method of GASB 75.

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in the Total OPEB Liability:

Balance at 3/31/2023	$	1,342,441
Changes for the year:		
Service cost		57,711
Interest on Total OPEB Liability		47,617
Effect of economic/demographic gains or losses		(4,858)
Effect of assumptions changes or inputs		(18,798)
Benefit payments		(24,018)
Net changes		57,654
Balance at 3/31/2024	$	1,400,095

OPEB change in valuation as shown on the statement of revenues, expenses, and change in net position is made up of the aggregate of service cost, interest, effect of economic/demographic gains or losses, and effect of assumptions changes or inputs noted in the above table.

Sensitivity of the total OPEB liability to changes in the discount rate. The following represents the total OPEB liability of the Egg, as well as what the Egg's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.45%) or 1-percentage point higher (4.45%) than the current discount rate:

	Discount Rate -1%	Baseline	Discount +1%
Discount Rate	2.45%	3.45%	4.45%
Net OPEB Liability	$ 1,676,330	$ 1,400,095	$ 1,185,459

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Egg, as well as what the Egg's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Baseline Trend -1%	Baseline	Baseline Trend +1%
Net OPEB Liability	$ 1,150,142	$ 1,400,095	$ 1,727,347

SCHEDULE OF THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
For the year ended March 31, 2024

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's proportion of the pension liability	$ 307,227
The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's proportionate share of the net pension liability	0.0014327%
The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's covered-employee payroll	$ 498,114
The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.68%
Plan fiduciary net position as a percentage of the total pension liability	90.78%

See notes to financial statements.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)
SCHEDULE OF THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION'S PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
For the year ended March 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 52,074	$ 52,756	$ 15,281	$ 64,699	$ 60,000	$ 58,079	$ 72,266	$ 55,125
Contributions in relation to the contractually required contribution	52,074	52,756	15,281	64,699	60,000	58,079	72,266	55,125
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's covered-employee payroll	$ 498,114	$ 411,151	$ 87,642	$ 467,049	$ 425,060	$ 419,805	$ 427,293	$ 389,230
Contributions as a percentage of covered-employee payroll	10.45%	12.83%	17.44%	13.85%	14.12%	13.83%	16.91%	14.16%

See notes to financial statements.

GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA PERFORMING ARTS CENTER CORPORATION
(A Component Unit of the State of New York)
SCHEDULE OF THE CHANGES IN THE NET OPEB LIABILITY
March 31, 2024

Balance at 3/31/2023	$	1,342,441
Changes for the year:		
Service cost		57,711
Interest on Total OPEB Liability		47,617
Effect of economic/demographic gains or losses		(4,858)
Effect of assumptions changes or inputs		(18,798)
Benefit payments		(24,018)
Net changes		57,654
Balance at 3/31/2024	$	1,400,095

See notes to financial statements.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation

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 (*Government Auditing Standards*), the statements of net position, revenues, expenses, and change in net position, and cash flows of the Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (a public benefit corporation and component unit of the State of New York) as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's basic financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation'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 Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Hudson, New York
September 23, 2024

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2024-01

Material Weakness in Internal Control over Financial Reporting – Segregation of Duties and Review of Journal Entries

Criteria: For the fiscal year ended March 31, 2024, the Egg was reliant upon one individual to make all the necessary entries into the general ledger and perform other functions that directly impact those entries. While the Egg has since hired an outside accounting company to take over its general ledger entry procedures, the journal entries posted to the general ledger by the previous Business Manager and the current outside accounting company were not reviewed after entry.

Condition: During walkthrough procedures, we noted several duties being performed by the Business Manager during the year ended March 31, 2024 that directly influence the entries the Business Manager also posted to the general ledger. We also noticed there were no formalized review procedures over journal entries being posted by the outside accounting company.

Context: We observed the processes performed by the Business Manager and also tested a selection of journal entries posted by the Business Manager and the outside accounting company throughout the year ended March 31, 2024.

Effect or Potential Effect: A lack of segregation of duties and no review process for journal entries posted to the general ledger could lead to undetected misstatements to the general ledger and leaves the door open for fraudulent activity to occur.

Cause: The entity's limited size and lack of a board member with significant accounting and finance background gives rise to these matters.

Recommendation: Management should establish a system of checks and balances over its financial reporting and other procedures such that a number of individuals are involved with or perform a thorough review of financial information reported to the general ledger.

Views of Responsible Official(s) and Planned Corrective Actions:

As recommended by the auditors, management and the Board of the Egg will review its procedures in the coming fiscal year to establish a system of checks and balances to ensure accuracy and appropriateness of amounts being recorded to the general ledger.