

2024 Annual Report for The Empire Center at The Egg

The Gov. Nelson A. Rockefeller Empire State Plaza Performing Arts Center, hereafter referred to as the “The Egg”, is pleased to present its 2024 Annual Financial Report developed in compliance with the Statement of Governmental Standard No. 34 (GASB34) and related standards.

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 the 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.

Audit Assurance

The unqualified (i.e. clean) opinion of our independent external auditors, UHY, LLP, is included in this report. This section presents management’s discussion and analysis of The Egg’s financial condition and activities for the year ending *March 31, 2024*. This information should be read in conjunction with the financial statements.

Financial and Organizational Highlights

The following are some of the highlights of the last fiscal year:

In fiscal year 2023-24, The Egg came under new leadership: Diane Eber took over as the

new Executive Director in September of 2023, replacing former Executive Director Peter Lesser who retired. In order to realize the vision of elevating the Egg to new artistic heights, work was done to transform the internal culture and create a safe workplace that fosters creative thinking and teamwork. The Egg worked hard to reach new audiences and marketing efforts have also increased to bolster fundraising and find new development opportunities.

Ticket Sales continued to increase in post-COVID times: we saw a 19% increase in ticket sales. As of October 2023, The Egg began to allow attendees to bring drinks into the theatres which helped to make the experience of coming to The Egg more accessible and significantly increase concessions revenue. Overall, The Egg continues to serve all of New York State through varied different types of performances across many different genres.

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 and long term financial information about its activities.

The balance sheet 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 and expenses. 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 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.

Summary of Organization and Business

The Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation (a/k/a 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, 2 large rehearsal rooms as well as storage.

Financial Analysis

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

Financial Condition

The overall financial position of The Egg was stable at year end. During the past five fiscal years, The Egg has generated operating surpluses and has erased a substantial negative fund balance.

As noted in previous financial statements, over the past two decades, The Egg has received 33% to 50% of its operating revenue from the State of New York. While the percentage has significantly declined in recent years due to the success of programming and management of The Egg, 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.

Long Term Obligations

The Egg currently has no long term obligations. 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.

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 Finance Manager, Jenny Harder at The Egg, PO Box 2065, Albany, NY 12220 or at www.theegg.org.

Principal Officials

The Egg's Board of Directors is as follows:

<u>Name</u>	<u>Appointed by</u>
Susan T. Cleary	Governor
Jeanette M. Moy	OGS Commissioner
Anna Scaife	Rep for OGS Commissioner

Mary A Griffin, Chair
James I. Sullivan
Scott Palladino
Catherine A Barber
Vincent McCardle
Stacey B. Rowland
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Maston Sansom
Dr. Dorsey Applyrs
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Governor
Governor
Governor
Governor
Governor
Governor
Speaker of the Assembly
President of the Senate
President of the Senate
Minority Leader of the Assembly
Albany County Executive

Diane Eber, Executive Director