NEW YORK CONVENTION CENTER OPERATING CORPORATION

Financial Statements and
Independent Auditors' Report

March 31, 2025 and 2024

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
New York Convention Center
Operating Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the New York Convention Center Operating Corporation (the "Corporation"), as of and for the years ended March 31, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of March 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in notes 1(n) and 13 to the financial statements, the Corporation adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101 - "Compensated Absences," during the year ended March 31, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 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 the 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 42 through 44 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 GASB 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 audits 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2025 on our consideration of the 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 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 Corporation'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 Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 18, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

This annual report includes the independent auditors' report, management's discussion and analysis, and the financial statements of New York Convention Center Operating Corporation ("NYCCOC", the "Javits Center", or the "Center"). The financial statements include notes and required supplementary information that explain in more detail the information in the annual report. Readers should consider management's discussion and analysis in conjunction with the financial statements taken as a whole.

The financial statements of the Javits Center report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the Center's financial activities and may be summarized as follows:

The Statements of Net Position present the financial position of the Javits Center at the end of each fiscal year reported. It includes all the Center's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Center's creditors (liabilities). It also provides the basis for evaluating the net position of the Center and assessing the Center's liquidity and financial strength. The current assets and liabilities represent assets expected to be converted into cash and/or utilized and liabilities expected to be paid and/or settled during the subsequent fiscal year.

The Statements of Revenue, Expenses and Changes in Net Position present the Javits Center's revenue and expenses, for the fiscal years ended March 31, 2025 and 2024. These statements measure the financial performance of the Center during the fiscal years presented and can be used to determine whether the Center has recovered all its costs through space rental and related event services.

The Statements of Cash Flows present cash receipts, cash payments and net changes in cash and equivalents resulting from operating, capital and related financing and investing activities, and provide answers to such questions as where cash originated from, what cash was used for, and what was the change in the Javits Center's cash position for the fiscal years presented.

The mission of the Javits Center is to serve the citizens of the State and City of New York by generating new business and employment opportunities, serving as a catalyst for the continued redevelopment of the local community and operating in the public interest, consistent with the social, economic, and environmental priorities of existing state policy. The Center meets these objectives through maximizing the booking of trade events, public events, and special events (corporate events and conferences) that stimulate spending within the regional economy, create jobs at the Center and in the surrounding community and generate a reliable source of revenue for the State and City of New York.

Business Overview and Major Initiatives

In fiscal year 2025, the Javits Center advanced its strategic priorities by diversifying its business offerings, welcoming new leadership, and investing in cutting-edge technology, safety, and sustainability initiatives. Corporate events at North Javits grew steadily, supported by innovative sales strategies, while the appointment of Joyce Leveston as the first female CEO marked a historic leadership transition. Continued enhancements - from workforce management systems to AI-driven customer service tools - position the Javits Center for long-term growth and operational excellence.

Diversifying Business

Through fiscal year 2025, there continues to be a diversification of Javits Center's business. Corporate events at North Javits continue to increase with both new clients and returning customers establishing annual events. Building off the success of previous holiday party packages, the sales team created additional standardized packages, which allow for faster turnaround for quotes in the competitive market that help convert inquiries into bookings.

New Leadership

Javits Center welcomed Joyce Leveston as the new Chief Executive Officer in fiscal year 2025. Ms. Leveston has more than 35 years of experience within the hospitality and events industry and most recently worked at Oak View Group, where she oversaw the operations of more than 60 convention centers. Her appointment marks the first time a woman has held the Chief Executive title at Javits Center. Ms. Leveston succeeds Alan Steel, who acted as the Chief Executive Officer for 13 years.

Rising Revenue

Javits Center continued its upward revenue trend to close the gap with pre-pandemic performance, with operating revenue growing $1.6 million over fiscal year 2024 (which was 8.8% higher than fiscal year 2023). Revenue growth combined with continued efforts to control expenses improved the Center's overall margin.

Technology, Safety and Sustainability Leadership

Javits Center established itself as a leader in technology, safety and sustainability. Continuous investment of resources is required to maintain that distinction:

- **Workforce Management and Enterprise Resource Planning Systems:** The long-planned launch of the new integrated workforce management (WFM) and enterprise resource planning (ERP) systems has brought a new level of efficiency to Javits Center. The WFM system provides enhanced functionality for payroll, time-keeping, labor scheduling, and certain HR processes while the ERP delivers enhanced core financial applications. With these new systems, Javits staff has more access to their employment information, like scheduling, timecards and paystubs and interfacing with the ERP is more intuitive and user-friendly.

- **AI Chatbot:** Javits Center introduced its first AI chatbot named Digit. This new technology improves the customer experience by answering straightforward questions from exhibitors. With Digit handling the basic requests, the Exhibitor Solutions team can focus on more complicated inquiries, providing a better quality of service for all our exhibitors.

- **Safety Platform:** Javits Center deployed Dataminr, an advanced situational awareness platform, this fiscal year. This AI-powered tool delivers real-time alerts on unfolding events - often ahead of media reports - providing critical updates and incident proximity details to Javits Center security teams. This early warning system enhances Javits Center's ability to anticipate, monitor, and effectively respond to potential threats.

- **Demand Response:** Javits Center continues to be one of the largest contributors to energy load reduction through the Demand Response program. During periods of high demand like heat waves, Javits Center switches to generator power taking the entire six block campus off the grid. For Summer 2024, Javits Center earned more than $1 million - the highest amount to date.

- **Capital Projects:** Javits Center completed three major capital projects. The MER rooms (mechanical equipment room) represented a $6.1 million capital investment for the benefit of New York Convention Center Development Corporation (CCDC) that entailed replacing large-scale capital assets within the facility. Implementation of the ERP and WFM systems were accounted for as capital projects. The Crystal Palace jumbotron project was completed and provided a brand-new screen at no out-of-pocket expense to Javits Center.

Looking Forward

The Javits Center aims to build on its fiscal year 2025 successes with key initiatives for the next fiscal year:

- **Brand Campaign:** Develop new brand and marketing campaign to reintroduce Javits Center as a premier destination with a waterfront view.
- **Attract International, MICE and Association Customers:** Targeting international, association and Meetings, Incentives, Conferences and Exhibitions (MICE) customers through attending conferences and hosting familiarization trips.
- **Employee Engagement:** Increase employee engagement through creating employee resource groups and introducing an employee pulse survey.
- **Talent:** Restructure existing talent and hire new roles to align with organization initiatives and goals.
- **Explore New Revenue Sources:** Continue to look for opportunities to reimagine event space, leverage assets and provide new customer services and benefits that enhance the Javits Center's revenue.

The Javits Center remains committed to its mission and looks forward to continued growth and success in the coming year.

2025 Financial Highlights

In fiscal year 2025, the Javits Center hosted a total of 128 events, comprising 72 trade and public events and 56 special events. Of the 128 total events, 95 were recurring and 33 were new, including notable additions such as Fanatics Fest NYC, The 149th Annual Westminster Kennel Club Dog Show and the 12th Annual Masters Agility Championship, New York Valves: The Structural Heart Summit, and Data Universe.

The Javits Center's total operating revenue increased $1.6 million (0.9%) to $186.3 million, driven primarily by higher labor and service revenues associated with both recurring and new trade and special events.

The Javits Center's total operating expenses rose by $3.6 million (1.9%) to $188.8 million, mainly due to increased costs related to event labor and services, utilities, facility repairs and maintenance, and costs associated with the implementation of new Enterprise Resource Planning (financial) and Workforce Management (systems).

Javits Center's total net position decreased to $41.1 million, due to the current year net loss of $7.7 million. The Unrestricted - board designated reserve to cover the other postemployment benefits obligation decreased by $0.3 million. This slight decrease was mainly driven by the impact of a higher discount rate used to calculate the present value for this liability, partially offset by an increase in the medical expense trend rates. The net investment in capital assets decreased by $5.4 million mainly due to the transfer of investment in the MER to affiliate receivable (CCDC) in Other current assets partially offset by investment in ERP and WFM systems. The combined impact of these changes resulted in a $2.0 million reduction in the unrestricted deficit.

During fiscal year 2025, the Center adopted the provisions of GASB Statement No. 101, "Compensated Absences" ("GASB 101"). This accounting standard requires that liabilities for compensated absences be recognized for (1) leave that has not yet been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The effects of GASB 101 were implemented retroactively by restating prior years' financial statements and disclosures, as applicable. The restatement activity is reflected in note 13 to the financial statements.

Summarized Statements

SUMMARIZED STATEMENTS OF NET POSITION

Summarized statements of net position at March 31, 2025 and 2024 are as follows:

	March 31, 2025 (000's)	March 31, 2024 (000's)	Increase/ (Decrease)
Assets:			
Current assets	$ 106,432	115,699	(9,267)
Capital assets, noncurrent	28,316	26,608	1,708
Noncurrent assets	14,541	13,685	856
Total assets	149,289	155,992	(6,703)
Deferred outflows of resources	12,277	9,436	2,841
Liabilities:			
Current liabilities	47,702	53,387	(5,685)
Noncurrent liabilities	13,376	6,817	6,559
Other postemployment benefits obligation, noncurrent	30,858	31,146	(288)
Total liabilities	91,936	91,350	586
Deferred inflows of resources	28,492	25,257	3,235
Net position:			
Net investment in capital assets	19,070	24,443	(5,373)
Unrestricted - board designated	31,595	31,884	(289)
Unrestricted deficit	(9,527)	(7,506)	(2,021)
Total net position	$ 41,138	48,821	(7,683)

Financial Analysis

- **Current Assets** - Current assets decreased by $9.3 million (8.0%) to $106.4 million, resulting in a current ratio of 2.2 to 1. The reduction in current assets is mainly driven by a $12.2 million lower cash balance reflecting increased cash disbursements compared to prior year due to timing of employee benefit payments and higher current year ERP and WFM project costs. Unbilled show costs are $5.7 million lower due to the difference in timing of the NY International Automobile Show which began in late March 2024 compared to mid-April this year. These impacts were partially offset by the transfer of the completed MER project from capital construction in progress to affiliate receivable (CCDC) in Other current assets.

- **Capital Assets, Noncurrent** - Capital assets, net of accumulated depreciation and amortization for fiscal year 2025 increased by $1.7 million (6.4%) to $28.3 million. The increase reflects additions of $13.9 million primarily resulting from capitalizing the present value of contracted future software license subscription payments and permissible implementation costs for the new ERP and WFM software systems ($6.6 million) and the south building IT network infrastructure ($5.9 million). This increase was partially offset by the transfer of the completed MER project to affiliate receivable (CCDC) in Other current assets and $9.2 million of depreciation and amortization expense. The GASB 96 intangible assets (i.e., the capitalization and amortization of multi-year subscription-based information technology arrangements) accounts for $3.2 million of the depreciation and amortization expense and $13.8 million of capital additions.

- **Noncurrent Assets** - Noncurrent assets increased by $856,000 (6.3%) to $14.5 million mainly due to additional contracts becoming eligible for accounting under GASB Statement No. 94 and the recording of Public-Private Partnership (PPP) receivables.

- **Deferred Outflows of Resources** - Deferred outflows of resources are sums paid towards future contributions for retirement and other postemployment benefits, which will be reflected in actuarial valuations in subsequent years. As a result of accounting and financial reporting under GASB Statements No. 68 and No. 75 and the accompanying changes of assumptions or other inputs and net differences between planned and actual investment earnings on respective plan investments, deferred outflows of resources increased by $2.8 million (30.1%).

- **Current Liabilities** - Current liabilities decreased by $5.7 million (10.6%) to $47.7 million. The change results mainly from three factors - 1) $2.9 million decrease in unearned revenue due in part to the later timing of the NY International Automobile Show; 2) $1.7 million decrease in accounts payable and accrued expenses mostly due to the timing of vendor invoicing and cash disbursements; and 3) $724,000 reduction in workers' compensation related liabilities.

- **Noncurrent Liabilities** - Noncurrent liabilities increased by $6.6 million (96.2%) to $13.4 million. The change is mainly due to a $7.4 million increase due to the capitalization of and liability associated with the ERP and WFM software systems, partially offset by a $1.0 million reduction in our proportionate share in the NY State Retirement Plan (the Plan) net liability which decreased by $6.7 billion (31%) for the Plan due to a higher discount rate used in the actuarial valuation and pension asset investment performance.

- **Other Postemployment Benefits Obligation, Noncurrent** - Other postemployment benefit obligation, noncurrent ("OPEB") decreased by $288,000 (< 1%) to $30.9 million. The modest reduction reflects the favorable impact of increased interest rate environment and a higher discount rate used to calculate the present value for this liability, partially offset by the effects of increased medical expense trend rates.

- **Deferred Inflows of Resources** - Deferred inflows of resources increased by $3.2 million (12.8%) to $28.5 million. The balance reflects the cumulative difference between changes in the actuarial valuations for Pension and Other Postemployment Benefits (OPEB) plus future guaranteed payments to be received from Public-Private Partnership (PPP) arrangements pursuant to the adoption of GASB Statement No. 94. The accounting and financial reporting for pensions and OPEB, GASB Statements No. 68 and No. 75, and the accompanying changes of actuarial assumptions and net differences between planned and actual investment earnings on pension plan investments, resulted in a $2.7 million increase in the deferred inflows of resources. An additional increase of $580,000 related to the impacts from the accounting for PPP arrangements.

Net Position - Net position decreased by $7.7 million (15.7%) to $41.1 million due to the net loss in fiscal year 2025. The Board of Directors reserved $31.6 million in unrestricted net position for other postemployment benefit obligations, a decrease of $289,000 from fiscal year 2024 as described above. The net investment in capital assets decreased by $5.4 million mainly due to the transfer of investment in the MER to affiliate receivable (CCDC) in other current assets and the Center entering into contracts for various subscription-based information technology arrangements, partially offset by investment in ERP and WFM systems. The combined impact of these changes resulted in a $2.0 million reduction in the unrestricted deficit.

2024 Financial Highlights

In fiscal year 2024 there were 70 trade and public events and 61 special events which was 20 events more than the prior fiscal year. There were 49 new events and 82 recurring events including the return of the North American International Toy Fair from Fiscal Year 2020 and the Lightfair International and MD&M East Eastpack from Fiscal Year 2022.

The Javits Center's total operating revenue increased $15.0 million (8.8%) to $184.7 million, mostly driven by the increases in event labor and services for major recurring events and significant new trade, public and special events.

The Javits Center's total operating expenses increased $13.7 million (8.0%) to $185.2 million, primarily resulting from an increase in event related labor and services expense, insurance premiums and professional service related to the Enterprise Resource Planning and Workforce Management system implementation projects, which commenced in the fourth quarter of Fiscal Year 2024.

Javits Center's total net position decreased to $48.8 million, due to the current year net loss of $4.8 million partially offset by favorable impact from restating 2024 results for the implementation of GASB 101. The Unrestricted - board designated reserve to cover the other postemployment benefits obligation increased by $2.2 million. The higher liability was mainly driven by an increase in the medical expense trend rate partially offset by the impact of a higher discount rate used to calculate the present value for this liability. The net investment in capital assets decreased by $0.6 million due to the current year depreciation net of the change in lease liabilities. The combined impact of these changes resulted in a $6.4 million reduction in the unrestricted deficit.

During fiscal year 2024, the Center adopted the provisions of GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" ("GASB 94"). This accounting standard requires a government entity that contracts with an operator to convey a right to control or use a non-financial asset in an exchange or exchange-like transaction, to recognize a receivable for installment payments expected to be received and a deferred inflow of resources for the consideration to be received by the transferor. The effects of GASB 94 were implemented retrospectively by restating prior years' financial statements and disclosures, as applicable. The restatement activity reflects the addition to Current and Noncurrent Assets - Public-Private Partnership (PPP) receivable, Deferred Inflows of Resources, and Interest Income (noncash) resulting from the required present value accounting treatment.

Summarized Statements

SUMMARIZED STATEMENTS OF NET POSITION

Summarized statements of net position at March 31, 2024 and 2023 are as follows:

	March 31, 2024* (000's)	March 31, 2023 (000's)	Increase/ (Decrease)
Assets:			
Current assets	$ 115,699	107,345	8,354
Capital assets, noncurrent	26,608	29,240	(2,632)
Noncurrent assets	13,685	6,790	6,895
Total assets	155,992	143,375	12,617
Deferred outflows of resources	9,436	7,292	2,144
Liabilities:			
Current liabilities	53,387	40,228	13,159
Noncurrent liabilities	6,817	2,906	3,911
Other postemployment benefits obligation, noncurrent	31,146	28,875	2,271
Total liabilities	91,350	72,009	19,341
Deferred inflows of resources	25,257	26,807	(1,550)
Net position:			
Net investment in capital assets	24,443	25,079	(636)
Unrestricted - board designated	31,884	29,635	2,249
Unrestricted deficit	(7,506)	(2,863)	(4,643)
Total net position	$ 48,821	51,851	(3,030)

* Restated for implementation of GASB Statement No. 101.

Financial Analysis

- **Current Assets** - Current assets increased by $8.4 million (7.8%) to $115.7 million, resulting in a current ratio of 2.2 to 1. Higher current assets are primarily attributable to $5.7 million increase in unbilled show costs due to timing of NY International Automobile Show which began in late March 2024 compared to mid-April last year. Cash and equivalents are $8.4 million (40%) higher partially offset by a $6.3 million (35.4%) reduction in accounts receivable, which mainly reflects improved cash collections during the year.

- **Capital Assets, Noncurrent** - Capital assets, net of accumulated depreciation and amortization for fiscal year 2024 decreased by $2.6 million (9.0%) to $26.6 million. The decrease reflects the impact from $8.6 million of depreciation and amortization expense, partially offset by $5.9 million of Javits-funded capital additions during the year. The GASB 96 intangible assets (i.e., the capitalization and amortization of multi-year subscription-based information technology arrangements) accounts for $2.3 million of the depreciation and amortization expense and $1.9 million of the capital additions.

- **Noncurrent Assets** - Noncurrent assets increased by $6.9 million (101.5%) to $13.7 million mainly due to the adoption of GASB Statement No. 94 and the recording of Public-Private Partnership (PPP) receivables of $8.6 million, for contracts entered into during the 2024 fiscal year.

- **Deferred Outflows of Resources** - Deferred outflows of resources are sums paid towards future contributions for retirement and other postemployment benefits, which will be reflected in actuarial valuations in subsequent years. As a result of accounting and financial reporting under GASB Statements No. 68 and No. 75 and the accompanying changes of assumptions or other inputs and net differences between planned and actual investment earnings on respective plan investments, deferred outflows of resources increased by $2.1 million (29.4%).

- **Current Liabilities** - Current liabilities increased by $13.2 million (32.8%) to $53.4 million. The change is primarily driven by a $9.5 million increase in accounts payable and accrued expenses and a $4.0 million increase in unearned revenue for deposits on hand for future events. The changes in accounts payable and accrued expenses are affected by the timing of vendor invoicing and cash disbursements for operations. The primary drivers include union employee benefits for increased labor force to support the NY International Automobile Show set up in mid-late March, plus facilities related costs and professional services associated with the two broad-based systems implementation projects, which commenced in the fourth quarter of Fiscal Year 2024. The increase in unearned revenue is related to the timing of customer service order payments received in advance of events closing out.

- **Noncurrent Liabilities** - Noncurrent liabilities increased by $3.9 million (134.6%) to $6.8 million. The change is mainly due to a $6.5 million increase in the pension liability driven by our proportionate share in the NY State Retirement Plan (the Plan) which experienced a $29 billion increase due to a change in the funding status of the Plan during the year. This impact was partially offset by a $1.6 million reduction from the implementation of GASB 101 to eliminate the liability for administrative employee's accumulated sick pay covered in the OPEB liability. A $1.3 million reduction in lease liabilities related to payments made on leased equipment and software subscriptions also contributed to the change.

- **Other Postemployment Benefits Obligation, Noncurrent** - Other postemployment benefit obligation, noncurrent ("OPEB") increased by $2.3 million (7.9%) to $31.1 million. The higher liability is mainly driven by an increase in the medical expense trend rate partially offset by the impact of a higher discount rate used to calculate the present value for this liability.

- **Deferred Inflows of Resources** - Deferred inflows of resources decreased by $1.6 million (3.8%) to $25.3 million. The balance reflects the cumulative difference between changes in the actuarial valuations for Pension and Other Postemployment Benefits (OPEB) plus future guaranteed payments to be received from Public-Private Partnership (PPP) arrangements pursuant to the adoption of GASB Statement No. 94. The accounting and financial reporting for pensions and OPEB, GASB Statements No. 68 and No. 75, and the accompanying changes of actuarial assumptions and net differences between planned and actual investment earnings on pension plan investments, resulted in a $9.9 million reduction in the deferred inflows of resources. This impact was partially offset by an $8.3 million increase related to the adoption of GASB Statement No. 94.

- **Net Position** - Net position decreased by $3.0 million (5.8%) to $48.8 million due to the net loss in fiscal year 2024. The Board of Directors reserved $31.9 million in unrestricted net position for other postemployment benefit obligations, an increase of $2.2 million from fiscal year 2023 as described above. This impact was partially reduced by a $0.6 million decrease of the net investment in capital assets related to fiscal year depreciation and amortization expense and the net change in lease liabilities and supplemented by $4.6 million reduction in the unrestricted deficit. The unrestricted deficit was restated and improved by $1.7 million due to the implementation of GASB 101 to eliminate the liability for administrative employee's accumulated sick pay covered in the OPEB liability.

SUMMARIZED CAPITAL ASSETS

Summarized capital assets at March 31, 2025 and 2024 are as follows:

	March 31, 2025 (000's)	March 31, 2024 (000's) (Reclassified)	Increase/ (Decrease)
Construction in progress	$ 122	3,661	(3,539)
Furniture, fixtures and equipment	20,174	23,874	(3,700)
Other capital assets	2,746	2,746	-
Improvements to Center	40,403	40,886	(483)
Right to use assets	6,472	6,538	(66)
Intangible asset, subscription-based information technology arrangement	15,907	7,317	8,590
Total capital assets	85,824	85,022	802
Less accumulated depreciation and amortization	(57,508)	(58,414)	906
	$ 28,316	26,608	1,708

- **Capital Assets** - Capital assets, net of accumulated depreciation and amortization for fiscal year 2025 increased by $1.7 million (6.4%) to $28.3 million. The increase to total capital assets reflects additions of $13.9 million primarily resulting from capitalizing the present value of contracted future software license subscription payments and permissible implementation costs for the new ERP and WFM software systems ($6.6 million) and the south building IT network infrastructure ($5.9 million). Expiration of software license contracts result in retirement of those intangible assets which reduced the increase in subscription-based IT arrangement capital assets as well as furniture, fixtures and equipment. The decrease to construction in progress was driven by the transfer of the completed MER project to affiliate receivable (CCDC) in Other current assets. Asset retirements exceeded depreciation expense during the year resulting in a $1.9 million decrease in accumulated depreciation and amortization.

SUMMARIZED CAPITAL ASSETS

Summarized capital assets at March 31, 2024 and 2023 are as follows:

	March 31, 2024 (000's)	March 31, 2023 (000's)	Increase/ (Decrease)
Construction in progress	$ 3,661	190	3,471
Furniture, fixtures and equipment	24,914	25,195	(281)
Other capital assets	2,746	2,904	(158)
Improvements to Center	40,886	41,827	(941)
Right to use assets	6,538	7,578	(1,040)
Intangible asset, subscription-based information technology arrangement	7,317	7,000	317
Total capital assets	86,062	84,694	1,368
Less accumulated depreciation and amortization	(59,454)	(55,454)	(4,000)
	$ 26,608	29,240	(2,632)

- **Capital Assets** - Capital assets, net of accumulated depreciation and amortization for fiscal year 2024 decreased by $2.6 million (9.0%) to $26.6 million. The decrease reflects the impact from $8.6 million of depreciation and amortization expense, partially offset by $5.9 million of Javits-funded capital additions during the year. The GASB 96 intangible assets (i.e., the capitalization and amortization of multi-year subscription-based information technology arrangements) account for $2.3 million of the depreciation and amortization expense and $1.9 million of the capital additions.

SUMMARIZED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Summarized statements of revenue, expenses, and changes in net position for the years ended March 31, 2025 and 2024 are as follows:

	March 31, 2025 (000's)	March 31, 2024* (000's)	Increase/ (Decrease)
Operating revenue:			
Event-related services	$ 147,432	145,630	1,802
Space rental	31,748	31,432	316
Advertising, concession and other	7,110	7,646	(536)
Total operating revenue	186,290	184,708	1,582
Total operating expenses	188,778	185,187	3,591
Depreciation and amortization	9,215	8,566	649
Loss from operations	(11,703)	(9,045)	(2,658)
Total nonoperating income	4,020	4,614	(594)
Change in net position	(7,683)	(4,431)	(3,252)
Net position at the beginning of year, as previously stated	48,821	51,851	(3,030)
Cumulative effect of change in accounting principle	-	1,401	(1,401)
Total net position at beginning of year, as restated	48,821	53,252	(4,431)
Total net position at end of year	$ 41,138	48,821	(7,683)

* Restated for implementation of GASB Statement No. 101.

- ***Operating Revenue*** - Total operating revenue for the year was $186.3 million, reflecting an increase of $1.6 million (0.9%) compared to $184.7 million in the prior year. This growth was primarily driven by a $1.8 million (1.2%) increase in event-related services and a $316,000 (1.0%) increase in space rental revenue, resulting from higher event volumes for both recurring performances and new trade, public, and special events. These gains were partially offset by a $536,000 (7.0%) decline in advertising, concessions, and other revenue, largely due to lower food and beverage commissions and reduced income from outdoor digital display advertising.

- ***Operating Expenses*** - Total operating expenses rose by $3.6 million (1.9%) to $188.8 million, up from $185.2 million in the prior fiscal year. Event-related services comprise approximately 79% of the Javits Center's total operating revenue and are supported by labor costs, which represent 77% of total operating expenses. Despite increased event activity, employee compensation and benefits expense remained flat year-over-year, mainly due to lower workers' compensation claims expense and actuarially determined other post-employment benefits (OPEB) expense, which offset modest wage increases. Facility operating expenses increased by $2.3 million (8.7%), driven by higher utility costs, increased IT software license subscriptions, and maintenance expenditures for elevators, doors, fire prevention systems, and generators.

- ***Operating Expenses, Continued***

  These increases were partially offset by reductions in building supplies and security-related professional services. Selling, general, and administrative (SG&A) expenses rose by $800,000 (5.6%), primarily due to consulting services associated with the implementation of comprehensive Enterprise Resource Planning (ERP) and Workforce Management systems. This increase was partially offset by lower insurance premiums and promotion expense.

- ***Nonoperating Income*** - Nonoperating income decreased by $594,000 (12.8%) mainly due to lower yields for U.S. Treasury securities, reduced surplus cash invested in the money market account, and increased interest expense associated with present value accounting required for multi-year software license subscription contracts. Substantially all of the balance in cash and cash equivalents are held in an interest-bearing account.

- ***Change in Net Position*** - Net position decreased $7.7 million (16.3%) to $41.1 million as a result of the net loss in fiscal year 2025.

Summarized statements of revenue, expenses, and changes in net position for the years ended March 31, 2024 and 2023 are as follows:

	March 31, 2024* (000's)	March 31, 2023 (000's)	Increase/ (Decrease)
Operating revenue:			
Event-related services	$ 145,630	134,578	11,052
Space rental	31,432	28,920	2,512
Advertising, concession and other	7,646	6,203	1,443
Total operating revenue	184,708	169,701	15,007
Total operating expenses	185,187	171,475	13,712
Depreciation and amortization	8,566	8,294	272
Loss from operations	(9,045)	(10,068)	1,023
Total nonoperating income	4,614	684	3,930
Change in net position	(4,431)	(9,384)	4,953
Net position at the beginning of year, as previously stated	51,851	61,235	(9,384)
Cumulative effect of change in accounting principle	1,401	-	1,401
Total net position at beginning of year, as restated	53,252	61,235	(7,983)
Total net position at end of year	$ 48,821	51,851	(3,030)

* Restated for implementation of GASB Statement No. 101.

- ***Operating Revenue*** - Total operating revenue was $184.7 million, an increase of $15.0 million (8.8%) from $169.7 million in fiscal year 2023. The increase of $11.1 million (8.2%) in event related services is directly related to the increase in events and performance of recurring events and new trade, public and special events. Space rental revenue increased by $2.5 million (8.7%) was driven by the increased number of events over fiscal year 2023. Advertising, concession, and other revenue increased by $1.4 million (23.3%) primarily resulting from favorable food and beverage commission and outdoor digital display advertising.

- ***Operating Expenses*** - Total operating expenses increased by $13.7 million (8.0%) to $185.2 million from $171.5 million. Event related service revenue represents 78.8% of the Javits Center's total operating revenue and is generated by labor which represents 78.6% of the total operating expenses. Employee compensation and benefits increased by $12.4 million (9.3%) driven by the increases in event activity and number of hosted events. These expense increases were partially offset by lower actuarially determined pension and other postemployment benefits (OPEB), due to higher discount rates, favorable pension asset investment performance and lower NY State-negotiated retiree healthcare insurance premiums. Facility operating expenses were essentially unchanged in total with increases in building security services, event-related professional services and building supplies, offset by lower utilities cost. Selling, general and administrative expenses increased by $2.5 million (20.9%) primarily driven by higher insurance premiums and an increase in consultant services related to facility maintenance and the implementation of the broad-based Enterprise Resource Planning and Workforce Management systems.

- ***Nonoperating Income*** - Nonoperating income increased by $3.9 million (574.6%) mainly due to higher yields for U.S. Treasury securities and a full year of interest income from a money market sweep account also invested in U.S. Treasury securities. Substantially all of the balance in cash and cash equivalents are held in an interest-bearing account.

- ***Change in Net Position*** - Net position decreased $3.0 million (5.7%) to $48.8 million as a result of the net loss in fiscal year 2024 plus the restatement impact of $1.7 million for the cumulative effect of change in accounting principle associated with GASB No. 101.

OPERATING RESULTS AND HIGHLIGHTS

The Javits Center prepares and obtains approval from the Board of Directors for an annual operating budget and also maintains a rolling a five-year capital plan ($161.7 million). These plans are not changed during the year and are tools to assist in the management of the business. Elements of the five-year capital plan in any given year are only approved by management as cash and investment surplus is available for the project to proceed. The capital plan provides for replacement of many assets that are past their useful life and other areas that require a retrofit or complete upgrade. Management has prioritized needs across the facility with the goal of maintaining infrastructure in a sustainable manner and safeguarding the facility's assets by directing appropriate resources to them. The Center has established a funding agreement with CCDC to make available funds to keep the building in peak maintenance condition. When a surplus is achieved, moderate goals are set to make necessary improvements. Funding for capital expenditures was constrained during the COVID-19 pandemic and continues to be somewhat challenging. We recognize the importance of making funds available to support and maintain the investments we have made in the building to keep the Center aligned to remain competitive.

SUMMARIZED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

A Summarized Statement of Revenue, Expenses and Changes in Net Position, Actual vs. Plan for the year ended March 31, 2025 is as follows:

	2025 Actual (000's)	2025 Plan (000's)	Variance (000's)
Operating revenue:			
Event-related services	$ 147,432	143,632	3,800
Space rental	31,748	32,433	(685)
Advertising, concession and other	7,110	7,711	(601)
Total operating revenue	186,290	183,776	2,514
Operating expenses:			
Employee compensation and benefits	145,778	145,700	78
Facility operating expenses	28,337	26,835	1,502
Selling, general and administrative	15,173	14,472	701
Annual other postemployment benefits expenses	(510)	(82)	(428)
Total operating expenses	188,778	186,925	1,853
Depreciation and amortization	9,215	10,211	(996)
Loss from operations	(11,703)	(13,360)	1,657
Total nonoperating income	4,020	3,495	525
Net loss	$ (7,683)	(9,865)	2,182

For the fiscal year ended March 31, 2025, total operating revenue reached $186.3 million, exceeding the budget of $183.8 million by $2.5 million, or 1.3%. This favorable variance was primarily driven by strong performance in event-related services. Key contributors included the continued success of recurring events such as NRF: Retail's Big Show, the New York International Automobile Show, and the North American International Toy Fair. The addition of several high-profile new events also contributed significantly, including Fanatics Fest NYC, the 149th Annual Westminster Kennel Club Dog Show and the 12th Annual Masters Agility Championship, New York Valves: The Structural Heart Summit, and Data Universe. Space rental revenue was $685,000 (2.1%) below the budgeted amount, primarily attributable to the cancellation of five scheduled events. This variance was partially mitigated by the collection of liquidated damage fees associated with the cancellations. Advertising, concessions, and other revenue were $601,000 (7.8%) below plan, primarily due to delays in the deployment of two additional outdoor digital displays. This shortfall was partially offset by increased revenue from event advertising and sponsorships.

Total operating expenses for the fiscal year amounted to $188.8 million, exceeding the planned budget of $186.9 million by $1.9 million (1.0%). Employee compensation and benefits were generally in line with planned, as higher event-related labor costs were offset by reductions in the workers' compensation claims expense and other post-employment benefits. Facility operating expenses exceeded plan by $1.5 million (5.6%), primarily due to higher costs associated with IT software license subscriptions, including reserves for cancelled contracts, and increased spending on repair and maintenance projects involving the building façade's stainless-steel components, specialty doors, fire prevention systems, HVAC units, and generators. These additional expenses were partially offset by lower costs for event-related professional services and building supplies. Selling, general, and administrative (SG&A) expenses exceeded the budget by $701,000 (4.8%), primarily attributable to higher costs in temporary staffing, credit card processing fees, bad debt reserves, and facility-related consulting services. These increases were partially mitigated by reductions in legal fees, marketing and promotional expenditures, uniforms, sales commissions, and travel expenses.

The net loss of $7.7 million was $2.2 million better than the planned net loss of $9.9 million mainly due to the operating revenue and expense variances noted above, which combined were $1.7 million better than the plan. Non-operating income exceeded plan by $525,000 due to higher yields on Treasury security investments resulting in higher interest income.

A Summarized Statement of Revenue, Expenses and Changes in Net Position, Actual vs. Plan for the year ended March 31, 2024 is as follows:

	2024 Actual (000's)	2024 Plan (000's)	Variance (000's)
Operating revenue:			
Event-related services	$ 145,630	140,642	4,988
Space rental	31,432	28,777	2,655
Advertising, concession and other	7,646	4,685	2,961
Total operating revenue	184,708	174,104	10,604
Operating expenses:			
Employee compensation and benefits	145,403	141,375	4,028
Facility operating expenses	26,070	26,117	(47)
Selling, general and administrative	14,373	14,977	(604)
Annual other postemployment benefits expenses	(659)	(200)	(459)
Total operating expenses	185,187	182,269	2,918
Depreciation and amortization	8,566	11,014	(2,448)
Loss from operations	(9,045)	(19,179)	10,134
Total nonoperating income	4,614	2,447	2,167
Net loss	$ (4,431)	(16,732)	12,301

Total operating revenue for the year ended March 31, 2024 was $184.7 million, which was $10.6 million (6.1%) higher than plan of $174.1 million. Event-related services and Space rental revenue favorable variances to plan were driven by 44 unplanned events, strong performance of recurring events and an increase in significant new events which include Disney ABC DTCI Upfront, Linkedin Talent Connect and BILD Expo. Advertising, concession, and other revenue was $3.0 million (63.2%) higher than plan attributed to an increase in food and beverage commission and outdoor digital display advertising.

Total operating expenses were $185.2 million, which was $2.9 million (1.6%) higher than the plan of $182.3 million. Employee compensation and benefits expense was $4.0 million (2.8%) higher than plan directly related to an increase in event related labor, workers compensation expense and GASB 68 pension, partially offset by lower house labor expense and other post-employment benefits. Facility operating expenses were essentially on plan with multiple offsetting items. Significant favorable activity included insurance reimbursement for the window reglazing project, and lower utilities cost partly driven by prior fiscal year credit from New York Power Authority. These items were offset by higher than planned event-related professional services, facility repair and maintenance related to the fire alarm panels, specialty doors and flooring, the security gate and retractable bollards, and building supplies. Selling, general and administrative expenses were $0.6 million (4.0%) lower than the plan mainly driven by the timing of the Enterprise Resource Planning and Workforce Management system implementation project and lower cost in uniforms purchase, sales commissions, travel and training costs. These items were partially offset by higher than planned insurance premiums, temporary staffing costs, and credit card processing fees.

The net loss of $4.4 million was $12.3 million better than the planned net loss of $16.7 million mainly due to the operating revenue and expense variances noted above, which combined were $10.1 million better than the plan. Additionally, the U.S. interest rate environment remained higher than expected and favorable yields on Treasury security investments resulted in higher interest income, which is the primary component of nonoperating income.

Request for Information

This financial report is designed to provide a general overview of the Javits Center's finances for all those with an interest in the New York Convention Center Operating Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Audit Committee Chairman, Jacob K. Javits Convention Center, 655 West 34th Street, New York, New York 10001-1188.

FINANCIAL STATEMENTS

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Statements of Net Position
March 31, 2025 and 2024

Assets	2025	2024 (as restated)
Current assets:		
Cash and equivalents	$ 17,104,205	29,279,063
Short-term investments	60,564,891	60,359,513
Accounts receivable, net of allowances of $1,229,055 in 2025 and $894,348 in 2024	13,756,492	11,501,853
PPP receivables, current	194,984	40,372
Unbilled show costs	1,094,108	6,817,376
Other current assets	13,717,284	7,701,239
Total current assets	106,431,964	115,699,416
PPP receivables, net of current portion	9,996,604	9,182,915
Capital assets, net	28,315,882	26,608,036
Other assets	4,544,834	4,501,682
Total assets	149,289,284	155,992,049
Deferred outflows of resources	12,277,348	9,436,375
Liabilities		
Current liabilities:		
Accounts payable	10,020,471	11,178,008
Accrued expenses, current	7,290,980	7,805,008
Unearned revenue	22,080,048	24,958,598
Lease liability, current	1,917,245	1,907,564
Insurance claim reserve	4,524,104	5,247,676
Advances for capital improvements from affiliate	1,132,804	1,551,751
Other postemployment benefits obligation, current	737,000	738,000
Total current liabilities	47,702,652	53,386,605
Accrued expenses, net of current portion	614,792	-
Net pension liability - proportionate share	5,432,387	6,447,398
Lease liability, net of current portion	7,328,859	370,964
Other postemployment benefits obligation, net of current portion	30,858,000	31,146,000
Total liabilities	91,936,690	91,350,967
Deferred inflows of resources	28,492,242	25,256,636
Net position		
Net investment in capital assets	19,069,778	24,443,202
Unrestricted - board designated for other postemployment benefit obligation	31,595,000	31,884,000
Unrestricted deficit	(9,527,078)	(7,506,381)
Total net position	$ 41,137,700	48,820,821

See accompanying notes to financial statements.

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Statements of Revenue, Expenses and Changes in Net Position
Years ended March 31, 2025 and 2024

	2025	2024 (as restated)
Operating revenue:		
Event-related services	$ 147,431,706	145,630,270
Space rentals	31,748,613	31,431,899
Concession commissions	3,393,683	3,785,058
Advertising and other income	3,716,483	3,861,077
Total operating revenue	186,290,485	184,708,304
Operating expenses:		
Employee compensation and benefits	145,778,355	145,403,867
Facility operating expenses	28,337,098	26,069,548
Selling, general and administrative expenses	15,173,092	14,373,262
Annual other postemployment benefits expenses	(510,000)	(659,000)
Total operating expenses	188,778,545	185,187,677
Operating loss before depreciation and amortization expense	(2,488,060)	(479,373)
Depreciation and amortization expense	(9,215,396)	(8,566,484)
Operating loss	(11,703,456)	(9,045,857)
Nonoperating income	4,020,335	4,614,424
Change in net position	(7,683,121)	(4,431,433)
Net position at beginning of year, as previously stated	48,820,821	51,850,935
Cumulative effect of change in accounting principle (note 13)	-	1,401,319
Net position at beginning of year, as restated	48,820,821	53,252,254
Net position at end of year	$ 41,137,700	48,820,821

See accompanying notes to financial statements.

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Statements of Cash Flows
Years ended March 31, 2025 and 2024

	2025	2024 (as restated)
Cash flows from operating activities:		
Cash receipts from customers	$ 180,770,706	194,716,684
Cash paid for operating expenses	(189,253,668)	(181,802,059)
Net cash provided by (used in) operating activities	(8,482,962)	12,914,625
Cash flows from capital and related financing activities:		
Principal payments on lease obligations	(4,476,805)	(3,894,783)
Interest payments on lease obligations	(117,903)	(24,690)
Payments for capital improvements for affiliate	(418,947)	(710,407)
Acquisition of capital assets	(2,472,866)	(4,262,961)
Net cash used in capital and related financing activities	(7,486,521)	(8,892,841)
Cash flows from investing activities:		
Purchases of short-term investments	(104,708,535)	(74,737,987)
Proceeds from sales and maturities of short-term investments	106,000,000	77,000,000
Interest received	2,546,312	2,193,520
Cash received for collateral	(43,152)	(100,000)
Net cash provided by investing activities	3,794,625	4,355,533
Net change in cash and equivalents	(12,174,858)	8,377,317
Cash and equivalents at beginning of year	29,279,063	20,901,746
Cash and equivalents at end of year	$ 17,104,205	29,279,063

(Continued)

See accompanying notes to financial statements.

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Statements of Cash Flows, Continued

	2025	2024 (as restated)
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	$ (11,703,456)	(9,045,857)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	9,215,396	8,566,484
Changes in:		
Accounts receivable	(2,254,639)	6,310,336
PPP receivables and related accounts	(386,590)	(323,941)
Unbilled show costs	5,723,268	(5,685,036)
Other assets	(58,475)	(124,137)
Due from affiliate	(2,868,482)	(312,722)
Accounts payable	(1,157,537)	6,994,408
Accrued expenses	100,764	2,470,866
Unearned revenue	(2,878,550)	4,021,985
Insurance claim reserve	(723,572)	1,493,187
Other postemployment benefits obligation and related accounts	(1,708,596)	(1,733,049)
Net pension and related accounts	217,507	282,101
Net cash provided by (used in) operating activities	$ (8,482,962)	12,914,625
Supplemental disclosure of non-cash financing activities:		
Intangible right to use assets - software arrangements obtained in exchanged for lease liabilities	$ 11,444,381	1,671,808
Accumulated amortization on disposals:		
Right to use assets - equipment	-	1,039,704
Intangible right to use assets - software arrangements	5,239,799	1,545,435
	$ 5,239,799	2,585,139

See accompanying notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

(a) Reporting Entity

The New York Convention Center Operating Corporation (the “Corporation”) is a public benefit corporation established by the State of New York (the “State”) to operate the Jacob K. Javits Convention Center of New York (the “Javits Center” or “Center”). As such, it is included as a component unit in the State’s annual financial report. As a component unit of the State, the Javits Center is eligible for, and subject to, appropriation of funds as approved in the State’s budget. Operating revenue is principally comprised of amounts derived from event-related support services and space rental.

The Center was constructed by the New York Convention Center Development Corporation (“NYCCDC”), another component unit of the State which is jointly owned by the New York State Urban Development Corporation and the Triborough Bridge and Tunnel Authority (“TBTA”), also component units of the State. Construction of the Center was financed with TBTA bonds. Accordingly, the cost of the original construction, the subsequent renovation, and financing of the Center are excluded from the accompanying financial statements. The Corporation leases the Center from the State for a nominal amount.

(b) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

Net position of the Corporation and changes therein are classified and reported as follows:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of related debt obligations of those assets.

Unrestricted - board designated net position - net position that the Board of Directors approved and designated to be used to fund the Other Postemployment Benefits (“OPEB”) liability (note 9).

Unrestricted net position - reports the balance of net position that does not meet the definition of the above two categories.

The Corporation has adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 34 “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments” and GASB Statement No. 37, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments: Omnibus”. The two statements require that State and Local governments’ financial statements include management’s discussion and analysis, government-wide financial statements, fund financial statements, notes to financial statements and required supplementary information. The statements require State and Local governments to report infrastructure assets.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed to the extent they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The Corporation has elected to not follow subsequent private sector guidance.

Note 1 - Summary of Significant Accounting Policies, Continued

(d) Cash and Equivalents

The Corporation considers cash to consist of all cash on deposit with financial institutions that can be withdrawn without prior notice or penalty. Cash and equivalents are primarily collateralized with government securities held by a financial institution in the name of the Corporation. The Corporation, through the New York State Department of Taxation and Finance, established a money market account into which surplus funds in the Center's operating bank account are swept each day. As a result, substantially all of the balance in cash and equivalents are held in an interest bearing account.

(e) Short-Term Investments

As of March 31, 2025 and 2024, the Corporation's short-term investments consist of U.S. Treasury notes and bills. These investments are specifically identified and held in segregated accounts at depository institutions in the name of the New York State Department of Taxation and Finance. Short-term investments are carried at amortized cost, which approximates fair value, plus accrued interest receivable.

The State's statutes and guidelines authorize the Corporation to invest in obligations of the U.S. Government and its agencies, certificates of deposit, commercial paper, banker's acceptances, and obligations of the State.

(f) Recognition of Revenue and Reserve for Doubtful Accounts

Amounts received for space rental and event-related services in advance of the scheduled event are reported as unearned revenue. Such amounts are recognized as revenue in the accounting period in which the event occurs. Similarly, costs incurred which are directly attributable to an event (primarily labor) are initially recorded as other assets and either expensed or billed to customers at the event's conclusion.

Revenue from advertising is recognized in a systematic and rationale manner over the term of the advertising agreement.

The allowance for uncollectible accounts provides for risks of losses inherent in the credit extension process. The Corporation maintains an allowance on a specific and general basis at levels considered adequate to meet present and future losses of receivables. Accordingly, these estimates could change in the near term.

(g) Capitalized Costs, Depreciation and Amortization

Capitalized costs include all capital costs related to the Javits Center since it began operations, including major additions and improvements. These expenditures include construction, design, engineering and software subscription costs.

Depreciation and amortization is calculated on a straight-line basis ranging from 3 to 15 years, which is the estimated useful life of the assets.

(h) Security Deposit

During October 2013 and 2014, the Corporation contracted with two insurance companies. The terms of the contracts required the Corporation to pay security deposits which will be held for an indefinite amount of time. As a result, security deposits of $4,341,057 and $4,501,682 as of March 31, 2025 and 2024, respectively, are reflected in non-current other assets in the statements of net position.

Note 1 - Summary of Significant Accounting Policies, Continued

(i) Deferred Outflows and Inflows of Resources

In the statements of net position, in addition to assets, the Corporation will occasionally report a separate section of deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Corporation has two items that qualify for reporting in this category. The first item is related to pension. This represents the effect of the net change in the Corporation's proportion of the collective net pension liability and difference during the measurement period between the Corporation's contributions and its proportionate share of total contributions to the pension system not included in pension expense, and contributions to the pension system subsequent to the measurement date. The second item is related to other postemployment benefits. This represents the Corporation's difference between expected and actual experience and changes of assumptions to the health insurance program and contributions to the health insurance program subsequent to the measurement date.

In the statements of net position, in addition to liabilities, the Corporation will occasionally report a separate section of deferred inflows of resources. The separate financial statement element represents an increase in net position that applies to future periods and so will not be recognized as an inflows of resources (income) until then. The Corporation has three items that qualify for reporting in this category. The first item is related to pension. This represents the change in the proportion between the Corporation's contributions and the proportionate share of total plan contributions. The second item is related to other postemployment benefits. This represents the difference between the expected and actual experience and changes of assumptions related to the health insurance program. The third item represents the present value of future minimum guaranteed payments from advertising revenue sharing and other licensing partnership arrangements.

(j) Retirement Benefits

The Corporation provides retirement benefits for its employees through contributions to the New York State and Local Employees' Retirement System (the "System" or "ERS"). The System provides various plans and options, some of which require employee contributions. See note 8 of the financial statements for additional details.

(k) Other Postemployment Benefits ("OPEB")

The Corporation provides health care benefits for certain of its qualifying retirees through the New York State Health Insurance Program. See note 9 of the financial statements for additional details.

(l) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(m) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

Note 1 - Summary of Significant Accounting Policies, Continued

(n) Recent Accounting Standards Adopted

For the year ended March 31, 2025, the Corporation adopted GASB Statement No. 101 - "Compensated Absences." This Statement requires that liabilities from compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Standard was effective for reporting periods beginning after December 15, 2023. These financial statements and notes (see Note 13) reflect the adoption of this new Standard.

Note 2 - Short-term Investments

Authorization for investment in securities is governed by written internal guidelines, statutes, and State guidelines. The investments are reported at amortized cost in the statements of net position and amounted to $60,564,891 and $60,359,513 as of March 31, 2025 and 2024, respectively.

The interest rate earned on investments approximated 4.73% and 4.90% for the years ended March 31, 2025 and 2024, respectively.

Fair Value Measurements

Accounting principles generally accepted in the United States of America established a framework that provides 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 or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are not observable directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to overall fair value measurement.

The Corporation's short-term investments at March 31, 2025 and 2024 are classified as follows:

	2025			
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bills	$ 60,564,891	-	-	60,564,891

	2024			
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bills	$ 60,359,513	-	-	60,359,513

Note 3 - 2009 Renovation Project and Due From Affiliate

In December 1999, the United States Trust Company of New York ("USTC") sold $53,500,000 principal amount of Certificates of Participation (the "1999 Certificates"). The 1999 Certificates were sold to provide funds to make a loan to the Corporation, pursuant to a loan agreement dated as of December 31, 1999, between the Corporation and USTC to be used to pay a portion of the purchase price for the acquisition of a parcel of property and the building and improvements thereon (the "Yale Building"), for the purpose of the future expansion of the Javits Center.

In August 2006, the Corporation entered into an agreement to sell the Yale Building to NYCCDC, a related party. The agreement provided that NYCCDC defeased the 2003 Certificates in the amount of $66,200,000. In addition to the defeasance amount, NYCCDC has agreed to make an additional $15,000,000 payment to the Corporation upon the sale or lease of certain property (as defined in the Purchase and Sale Agreement). The Corporation has further agreed to provide additional funding for certain future capital improvements to the Javits Center and its related expansion and has fully reserved this amount in prior years.

The Corporation has previously funded capital expenditures related to the renovation projects of the Javits Center, on behalf of NYCCDC amounting to $3,392,071. These amounts have been recorded as a receivable from NYCCDC and management has also recorded an offsetting reserve of $3,392,071 due to the uncertainty regarding its collectability as of March 31, 2025 and 2024.

The Corporation has entered into an agreement for the procurement of furniture, fixtures, and equipment for the Expansion ("FF&E") on behalf of NYCCDC. NYCCDC reimbursed an equipment lease as part of the agreement. The Corporation has recorded this lease as a lease liability amounting to $113,696 as of March 31, 2024 in the statements of net position, as the related FF&E is property of NYCCDC.

Note 4 - Other Assets

Other assets at March 31, 2025 and 2024 consist of the following:

	2025	2024
Current other assets:		
Due from affiliate, net of allowances of $2,588,353 in 2025 and $2,183,069 in 2024	$ 12,411,694	6,549,207
Prepaid maintenance	124,263	198,997
Prepaid software license subscription	196,888	131,569
Prepaid insurance	213,536	129,265
Prepaid workers compensation escrow	400,000	400,000
Prepaid other	-	16,381
Interest receivable	370,903	275,820
	$ 13,717,284	7,701,239
Non-current other assets:		
Prepaid maintenance	203,777	-
Security deposit	4,341,057	4,501,682
	$ 4,544,834	4,501,682

Note 5 - Partnership Arrangements

The Corporation has entered into arrangements with operators involving various aspects of the Javits Center facility. The Corporation is to receive payments no less frequently than annually through various terms expiring through 2038. In return, the operators receive the right to operate the various aspects of the Javits Center facility, and receive and retain the revenue that is generated. A summary of the various arrangements are as follows:

Purpose	Maturity Date	Discount Rate	Original Amount	Balance at March 31, 2025	Balance at March 31, 2024
Media - advertising	4/30/2038	5.70%	$ 8,654,819	8,726,478	8,704,800
Site license	3/31/2036	5.30%	748,973	748,973	518,487
Sponsorship	6/30/2029	5.30%	331,902	344,512	-
Concessions	3/31/2030	5.30%	371,625	371,625	-
				$ 10,191,588	9,223,287

Future minimum payments under these arrangements are as follows:

Year ending March31 ,	Principal	Interest	Total
2026	$ 194,984	511,070	706,054
2027	242,935	476,770	719,705
2028	293,261	440,505	733,766
2029	737,731	402,164	1,139,895
2030	839,782	362,382	1,202,164
2031 - 2035	4,409,432	1,241,936	5,651,368
2036 - 2038	3,473,463	227,655	3,701,118
	$ 10,191,588	3,662,482	13,854,070

Future amortizations of the deferred inflows of resources related to these arrangements are as follows:

Year ending March 31,	Amount
2026	$ 509,833
2027	518,995
2028	528,433
2029	801,017
2030	793,032
2031 - 2035	3,809,571
2036 - 2038	2,487,402
	$ 9,448,283

The Corporation recognized $414,352 and $332,581 in interest income under these arrangements for the years ended March 31, 2025 and 2024, respectively. Variable payments under these arrangements amounted to $585,489 and $659,781 for the years ended March 31, 2025 and 2024, respectively.

Note 6 - Capital Assets

Capital asset activity for the years ended March 31, 2025 and 2024 are summarized as follows:

	2025				
	Balance at March 31, 2024 (reclassified)	Additions	Transfers	Retirements/ Reclassifications	Balance at March 31, 2025
Non-depreciable assets - construction in progress	$ 3,660,704	-	(545,102)	(2,994,005) *	121,597
Depreciable assets:					
Furniture, fixtures, and equipment	24,914,054	153,456	545,102	(5,438,584)	20,174,028
Video display equipment	37,250	-	-	-	37,250
Telephone equipment	1,715,551	-	-	-	1,715,551
Other equipment	993,551	-	-	-	993,551
Improvements to center	40,885,585	-	-	(482,886)	40,402,699
Right to use assets - equipment	6,537,689	-	-	(65,868)	6,471,821
Intangible right to use assets - software arrangements	7,317,481	13,780,331	-	(5,190,471)	15,907,341
Total depreciable assets	82,401,161	13,933,787	545,102	(11,177,809)	85,702,241
Accumulated depreciation and amortization:					
Furniture, fixtures, and equipment	20,753,634	2,364,733	-	(5,438,584)	17,679,783
Video display equipment	37,250	-	-	-	37,250
Telephone equipment	1,715,551	-	-	-	1,715,551
Other equipment	993,551	-	-	-	993,551
Improvements to center	26,655,728	2,392,034	-	(482,886)	28,564,876
Right to use assets - equipment	3,786,341	1,258,137	-	-	5,044,478
Intangible right to use assets - software arrangements	5,511,774	3,200,492	-	(5,239,799)	3,472,467
Total accumulated depreciation and amortization	59,453,829	9,215,396	-	(11,161,269)	57,507,956
Total capital assets, net	$ 26,608,036	4,718,391	-	(3,010,545)	28,315,882

	2024				
	Balance at March 31, 2023	Additions	Transfers	Retirements/ Reclassifications	Balance at March 31, 2024 (reclassified)
Non-depreciable assets - construction in progress	$ 190,344	3,791,523	(321,163)	-	3,660,704
Depreciable assets:					
Furniture, fixtures, and equipment	25,194,672	280,661	321,163	(882,442)	24,914,054
Video display equipment	194,519	-	-	(157,269)	37,250
Telephone equipment	1,715,551	-	-	-	1,715,551
Other equipment	993,551	-	-	-	993,551
Improvements to center	41,827,228	-	-	(941,643)	40,885,585
Right to use assets - equipment	7,577,393	-	-	(1,039,704)	6,537,689
Intangible right to use assets - software arrangements	7,000,331	1,862,585	-	(1,545,435)	7,317,481
Total depreciable assets	84,503,245	2,143,246	321,163	(4,566,493)	82,401,161

Note 6 - Capital Assets, Continued

	2024				
	Balance at March 31, 2023	Additions	Transfers	Retirements/ Reclassifications	Balance at March 31, 2024 (reclassified)
Accumulated depreciation and amortization:					
Furniture, fixtures, and equipment	$ 19,442,373	2,193,703	-	(882,442)	20,753,634
Video display equipment	176,166	18,353	-	(157,269)	37,250
Telephone equipment	1,715,551	-	-	-	1,715,551
Other equipment	993,551	-	-	-	993,551
Improvements to center	25,023,253	2,574,118	-	(941,643)	26,655,728
Right to use assets - equipment	3,327,895	1,498,150	-	(1,039,704)	3,786,341
Intangible right to use assets - software arrangements	4,775,049	2,282,160	-	(1,545,435)	5,511,774
Total accumulated depreciation and amortization	55,453,838	8,566,484	-	(4,566,493)	59,453,829
Total capital assets, net	$ 29,239,751	(2,631,715)	-	-	26,608,036

* Reclassification occurred for capital expenditures made in prior periods that are now expected to be reimbursed by and transferred to NYCCDC.

The Corporation recorded depreciation and amortization expense of $9,215,396 and $8,566,484 for the years ended March 31, 2025 and 2024, respectively.

Note 7 - Unearned Revenue

Unearned revenue consisted of the following at March 31, 2025 and 2024:

	2025	2024
Event-related services	$ 7,124,178	10,522,286
Space rentals	14,900,687	14,047,516
Advertising and other	55,183	388,796
	$ 22,080,048	24,958,598

Note 8 - Pension Plan

(a) New York State and Local Employees' Retirement System

The Corporation participates in the New York State and Local Employees' Retirement System (the "System" or "ERS"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. 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 position and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the 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. Once a public employer elects to participate in the System, the election is irrevocable. The New York

Note 8 - Pension Plan, Continued

(a) New York State and Local Employees' Retirement System, Continued

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 Corporation 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 regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System was noncontributory until July 27, 1976. Employees who joined after July 27, 1976 contribute 3.0 percent of their salary for the first ten years of membership and employees who joined on or after January 1, 2010 contribute 3.0 percent to 6.0 percent of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the fiscal year ending March 31.

(b) Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pension

At March 31, 2025 and 2024, the Corporation reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2024 and 2023, respectively. The total pension liability used to calculate the net pension liability was determined by the actuarial valuation. The Corporation's proportionate share of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Corporation.

	2025	2024
Measurement date	3/31/2024	3/31/2023
Net pension liability - proportionate share	$ 5,432,387	6,447,398
Corporation's proportion of the System's net pension liability	0.0368947%	0.0300662%

For the years ended March 31, 2025 and 2024, the Corporation recognized pension expense of $2,054,558 and $1,790,385, respectively. At March 31, 2025, the Corporation's proportionate share was 0.0368947% which was a percentage increase of 0.0068285 from its proportionate share at March 31, 2024. At March 31, 2025 and 2024, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Note 8 - Pension Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pension, Continued

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,749,768	148,127	686,698	181,067
Changes of assumptions	2,053,864	-	3,131,272	34,606
Net difference between projected and actual investment earnings on pension plan investments	-	2,653,692	-	37,878
Changes in proportion and differences between the Corporation's contributions and proportionate share of contributions	944,955	1,072,140	519,730	1,647,513
Contributions subsequent to the measurement date	1,838,284	-	1,508,794	-
Total	$ 6,586,871	3,873,959	5,846,494	1,901,064

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension as of March 31, 2025 will be recognized in pension expense as follows:

System's Year Ending March 31:	
2025	$ (1,292,713)
2026	794,501
2027	1,814,561
2028	(441,721)
Total	$ 874,628

The Corporation's contributions subsequent to the March 31, 2024 measurement date will be recognized as a reduction of the net pension liability in the system year ended March 31, 2025.

(c) Actuarial Assumptions

The total pension liability at March 31, 2025 and 2024 was determined by using an actuarial valuation as noted in the following table, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

Note 8 - Pension Plan, Continued

(c) Actuarial Assumptions, Continued

	2025	2024
Measurement date	March 31, 2024	March 31, 2023
Actuarial valuation date	April 1, 2023	April 1, 2022
Investment rate of return, net of investment expenses	5.9%	5.9%
Salary scale	4.4% Average	4.4% Average
Decrement tables	April 1, 2015 - March 31, 2020 System Experience	April 1, 2015 - March 31, 2020 System Experience
Inflation rate	2.9%	2.9%

To set the long-term rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates at return (expected return, net of investment expenses and inflation) 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.

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

	2025		2024	
	Target Allocation	Long-term Expected Rate of Return*	Target Allocation	Long-term Expected Rate of Return*
Domestic equity	32.00%	4.00%	32.00%	4.30%
International equity	15.00%	6.65%	15.00%	6.85%
Private equity	10.00%	7.25%	10.00%	7.50%
Real estate	9.00%	4.60%	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.25%	3.00%	5.38%
Credit	4.00%	5.40%	4.00%	5.43%
Real assets	3.00%	5.79%	3.00%	5.84%
Fixed income	23.00%	1.50%	23.00%	1.50%
Cash	1.00%	0.25%	1.00%	0.00%
	100.00%		100.00%	

*The real rate of return is net of the long-term inflation assumption of 2.50% for 2025 and 2024.

Note 8 - Pension Plan, Continued

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9% as of March 31, 2025 and 2024. 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 determined. 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.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the Corporation's proportionate share of the net pension liability (asset) as of March 31, 2025 and 2024 calculated using the current discount rate, as well as what the Corporation's proportionate share of the net pension liability (asset) 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:

	2025		
	1% Decrease (4.9%)	Current Rate (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (asset)	$ 17,079,981	5,432,387	(4,295,770)

	2024		
	1% Decrease (4.9%)	Current Rate (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (asset)	$ 15,580,596	6,447,398	(1,184,451)

(f) Pension Plan Fiduciary Net Position

The components of the net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
Measurement date	3/31/2024	3/31/2023
Total pension liability	$ 240,697	232,627
Net position	(225,973)	(211,183)
Net pension liability	$ 14,724	21,444
ERS net position as a percentage of total pension liability	93.88%	90.78%

Note 9 - Other Postemployment Benefits

As a participating employer of New York State Health Insurance Program (the "Program"), the Corporation provides healthcare benefits for retirees and other former employees under the provisions of the Program. Eligibility, under the Program for the retiree healthcare benefits require that (i) the employee must have at least 10 years of State service with the Corporation or at least 10 years of combined service with participating employers or agencies of the State, (ii) the employee must qualify for retirement as a member of a retirement system administered by the State, and (iii) the employee must be enrolled in the Program as an enrollee or dependent when they retire. The plan does not currently issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan and there are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

Employees covered by benefit terms

At March 31, 2025 and 2024, the following employees were covered by the benefit terms:

	2025	2024
Inactive plan members or beneficiaries currently receiving benefits	60	63
Covered spouse of retirees	23	26
Inactive plan members entitled to but not yet receiving benefits	-	1
Active plan members	91	83
	174	173

Total OPEB Liability

The Corporation's total OPEB liability as of March 31, 2025 and 2024, amounting to $31,595,000 and $31,884,000, were determined by an actuarial valuation as of April 1, 2024 and 2023, respectively.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2025	2024
Inflation	2.50%	2.50%
Salary increases including wage inflation	2.50% - 7.25%	3.30% - 8.80%
Discount rate	3.96%	3.78%

Healthcare cost trend rates:

• Drugs	7.00% in 2025 and 6.50% in 2024, decreasing to 5.50%
• Pre-Medicare Medical	6.60% in 2025 and 6.50% in 2024, decreasing to 5.50%
• Medicare Medical	6.00% in 2025 and 5.50% in 2024, decreasing to 5.50%

The discount rate was calculated using the Fidelity Municipal GO AA Index as of March 31, 2024 and 2023 for the 2025 and 2024 valuation.

Annuitant mortality rates are based on PUB 2010 general table with adjustments for mortality improvements based on the SOA Scale MP-2021.

Note 9 - Other Postemployment Benefits, Continued

Changes in the Total OPEB Liability

		2025	2024
Total OPEB liability as of April 1,	$	31,884,000	29,635,000
Changes for the year:			
Service cost		1,177,000	1,119,000
Interest		1,230,000	856,000
Differences between expected and actual experience		(4,641,000)	260,000
Changes of assumptions		3,019,000	1,040,000
Plan sponsor contributions		(1,074,000)	(1,026,000)
Total changes		(289,000)	2,249,000
Total OPEB liability as of March 31,	$	31,595,000	31,884,000

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the Corporation's total OPEB liability as of March 31, 2025 and 2024, using the current discount rate as well as what the Corporation's total 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 discount rate:

		2025		
		1% Decrease (2.96%)	Current Rate (3.96%)	1% Increase (4.69%)
Total OPEB liability	$	37,744,000	31,595,000	26,799,000

		2024		
		1% Decrease (2.78%)	Current Rate (3.78%)	1% Increase (4.78%)
Total OPEB liability	$	39,006,000	31,884,000	26,544,000

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

The following presents the Corporation's total OPEB liability as of March 31, 2025 and 2024, using current healthcare cost trend rates as well as what the Corporation's total OPEB liability would be if it were calculated using rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

		2025		
		1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$	26,549,000	31,595,000	38,133,000

		2024		
		1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$	25,883,000	31,884,000	40,021,000

Note 9 - Other Postemployment Benefits, Continued

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the years ended March 31, 2025 and 2024, the Corporation recorded OPEB income of $510,000 and $659,000, respectively. At March 31, 2025 and 2024, the Corporation reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 603,000	4,995,000	741,000	1,502,000
Changes of assumptions or other inputs	3,889,000	10,175,000	1,775,000	12,987,000
Corporation's contributions subsequent to the measurement date	1,198,477	-	1,073,881	-
Total	$ 5,690,477	15,170,000	3,589,881	14,489,000

The Corporation's contribution subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits are as follows:

Year ending	
2026	$ (2,726,000)
2027	(2,561,000)
2028	(2,378,000)
2029	(2,079,000)
2030	(1,016,000)
Thereafter	82,000
Total	$ (10,678,000)

Note 10 - Leases

The Corporation leases equipment and subscription based software under various lease agreements that bear interest ranging between 0% and 1% as explicitly stated in the agreements, except for certain contracts related to software subscriptions. Contracts entered into after 2024 were discounted using a rate of 5.30%. Contracts entered into prior to 2024, management has elected not to discount these payments as the portion of payment allocated to interest was determined not to be material. All agreements contain expiration dates ranging through October 2030. The gross amount of the equipment and subscription based software under the leases as of March 31, 2025 and 2024 was $22,379,162 and $13,855,170, respectively. Accumulated amortization on the equipment amounted to $8,516,945 and $9,298,115 at March 31, 2025 and 2024, respectively. Decreases in the gross amount of the equipment, as well as accumulated amortization, is due to retirement of leased equipment and subscription based software in the amount of $5,256,339 and $2,585,139 in the years ended March 31, 2025 and 2024, respectively. Amortization of leased equipment is included in depreciation and amortization expense on the statements of revenue, expenses, and changes in net position.

Note 10 - Leases, Continued

The total of the lease liabilities for the equipment and subscription based software for the years ended March 31, 2025 and 2024 amounted to $9,246,104 and $2,278,528, respectively. The principal payments on these leases for the years ended March 31, 2025 and 2024 totaled $4,476,805 and $3,894,783, respectively.

Future minimum payments under the finance agreement are as follows:

Year ending March 31,	Principal	Interest	Total
2026	$ 1,917,245	221,280	2,138,525
2027	2,143,117	184,449	2,327,566
2028	2,143,739	123,473	2,267,212
2029	2,064,018	61,108	2,125,126
2030	977,985	10,960	988,945
	$ 9,246,104	601,270	9,847,374

Note 11 - Estimated Litigation and Insurance Claims

There are various litigation and claims proceedings in which the Corporation is involved, including arbitration proceedings with Unions which currently or formerly represented Corporation employees, Equal Employment Opportunity Commission ("EEOC") complaints, personal injury, and property damage claims, as well as contractual claims. Generally, these develop in the normal course of business.

While the ultimate outcome of these matters cannot presently be determined, estimated liabilities for litigation and insurance claims are provided in the financial statements when management believes a settlement is probable and the amount can be reasonably estimated.

Management believes the ultimate amounts which may be required to settle such litigation in excess of insurance coverage carried by the Corporation will not have a material effect on its financial condition, beyond that which has been provided for in the financial statements.

Note 12 - Other Commitments and Contingencies

The Corporation entered into a food and beverage agreement effective May 3, 2019 with a vendor. The vendor began operating on June 16, 2019. The agreement is for 10 years and runs through June 15, 2029 with an optional 5-year period at the Corporation's discretion, contingent on the approval of the State Comptroller. The agreement provides for a guaranteed minimum and variable payment based on a share of the net receipts for the concession services (the "guaranteed minimum"). In December 2020, the Center entered into an amendment to the agreement with the vendor to guarantee any negative net receipts from the period April 1, 2020 through March 31, 2022, if the Center does not exercise the option for the extended term of the agreement or terminates the current agreement early. The Center has no plans to terminate the agreement. On January 6, 2023, the Center entered into a second amendment to the food and beverage agreement which suspends the guaranteed minimum through March 31, 2025.

Note 12 - Other Commitments and Contingencies, Continued

The Corporation's management proposed a Capital Plan amounting to $161,700,000, to be made under the five-year budget for the Javits Center. The proposed plan is intended to allow the Center to continue to operate effectively while bringing the building up to peak maintenance condition. It is the intention of the Corporation that both NYCCDC and the Corporation pay for and record their respective capital outlays in their separate financial statements.

Future operations of the Corporation may require additional financing by the State to the extent that operating, and capital expenditures exceed revenue from operations. For Fiscal 2025 and 2024 operations, no appropriations were made by the State Legislature. As of March 31, 2025, the Corporation is not aware of any State Legislature proposed appropriations for Fiscal 2026.

Note 13 - Cumulative Effect of Change in Accounting Principle

The Corporation adopted the provisions of GASB Statement No. 101 - "Compensated Absences" during the year ended March 31, 2024. The March 31, 2024 balances were restated as follows:

	2024 As previously stated	Change	2024 as restated
Accrued expenses, current	$ 7,930,208	(125,200)	7,805,008
Accrued expenses, net of current portion	$ 1,636,597	(1,636,597)	-
Employee compensation and benefits	$ 145,764,345	(360,478)	145,403,867
Net position at beginning of year	$ 51,850,935	1,401,319	53,252,254

Note 14 - Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Required Supplementary Information
Schedule of the Corporation's Proportionate Share of the Net Pension Liability (Asset)
Year ended March 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Corporation's proportion of the net pension liability (asset)	0.0368947%	0.0300662%	0.0228767%	0.0493169%	0.0521947%	0.0517816%	0.0556461%	0.0539285%	0.0515835%	0.0544342%
Corporation's proportionate share of the net pension liability (asset)	$ 5,432,387	6,447,398	(1,870,079)	49,107	13,821,461	3,668,886	1,795,946	5,067,243	8,279,299	1,838,920
Corporation's covered payroll	$ 13,779,863	13,003,219	10,891,924	8,030,523	16,069,337	15,918,333	15,819,063	16,195,996	15,730,483	14,570,941
Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.42%	49.58%	17.17%	0.61%	86.01%	23.05%	11.35%	31.29%	52.63%	12.62%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Notes to schedule:

(1) The following is a summary of assumption changes:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Inflation	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increase	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost-of-living adjustments	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.4%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%

(2) The amounts presented for each fiscal year were determined as of the March 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 measurement dates of the plans.

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Required Supplementary Information
Schedule of the Corporation's Pension Contributions
Year ended March 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,838,284	1,508,794	1,127,734	1,140,321	2,075,113	2,011,120	2,051,164	2,176,080	2,168,869	2,203,928
Contribution in relation to the contractually required contribution	1,838,284	1,508,794	1,127,734	1,140,321	2,075,113	2,011,120	2,051,164	2,176,080	2,168,869	2,203,928
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
Corporation's covered payroll	$ 13,779,863	13,003,219	10,891,924	8,030,523	16,069,337	15,918,333	15,819,063	16,195,996	15,730,483	14,570,941
Contribution as a percentage of covered payroll	13.34%	11.60%	10.35%	14.20%	12.91%	12.63%	12.97%	13.44%	13.79%	15.13%

NEW YORK CONVENTION CENTER
OPERATING CORPORATION

Required Supplementary Information
Schedule of Changes in the Corporation's
Total OPEB Liability and Related Ratios
Year ended March 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 1,177,000	1,119,000	2,148,000	2,139,000	2,201,000	2,081,000	1,902,000	2,106,000
Interest	1,230,000	856,000	1,021,000	1,198,000	1,329,000	1,388,000	1,310,000	1,156,000
Changes of benefit terms	-	-	194,000	-	-	-	-	-
Differences between expected and actual experience	(4,641,000)	260,000	(1,489,000)	796,000	33,000	(1,015,000)	(94,000)	-
Changes of assumptions	3,019,000	1,040,000	(14,623,000)	861,000	(2,457,000)	(1,103,000)	1,120,000	(3,499,000)
Plan sponsor contributions	(1,074,000)	(1,026,000)	(871,000)	(710,000)	(632,000)	(639,000)	(488,000)	(471,000)
Net change in total OPEB liability	(289,000)	2,249,000	(13,620,000)	4,284,000	474,000	712,000	3,750,000	(708,000)
Total OPEB liability at beginning of year	31,884,000	29,635,000	43,255,000	38,971,000	38,497,000	37,785,000	34,035,000	34,743,000
Total OPEB liability at end of year	$ 31,595,000	31,884,000	29,635,000	43,255,000	38,971,000	38,497,000	37,785,000	34,035,000
Covered payroll	$ 12,738,484	12,738,484	10,342,278	10,342,278	10,879,968	10,879,968	10,922,438	10,922,438
Total OPEB liability as a percentage of covered payroll	248.03%	250.30%	286.54%	418.23%	358.19%	353.83%	345.94%	311.61%

Notes to schedule:

(1) Changes of assumptions - Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2025	2024	2023	2022	2021	2020	2019	2018
3.96%	3.78%	2.83%	2.27%	2.94%	3.29%	3.51%	3.67%

(2) This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

(3) There are no assets accumulated in a trust that meet the criteria in GASB Statement No. 75, paragraph 4.

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INDEPENDENT AUDITORS' 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

The Board of Directors
New York Convention Center
Operating 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, the financial statements of New York Convention Center Operating Corporation (the "Corporation"), and the related notes to financial statements, and have issued our report thereon dated June 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 18, 2025

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INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors
New York Convention Center
Operating Corporation:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the New York Convention Center Operating Corporation's (the "Corporation"), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law and Title 2 Section 201.3 of the New York Codes, Rules and Regulations (the investment guidelines) that could have a direct and material effect on its investments for the year ended March 31, 2025.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended March 31, 2025.

Basis for Opinion on Investment Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance with the investment guidelines. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Corporation's investments.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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, Government Auditing Standards and the investment guidelines, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of the investment guidelines as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the investment guidelines on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of investment guidelines will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the investment guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the investment guidelines. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 18, 2025