PORT OF OSWEGO AUTHORITY

FINANCIAL STATEMENTS

March 31, 2022

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BOWERS & COMPANY
CPAs PLLC
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

BOARD MEMBERS OF
PORT OF OSWEGO AUTHORITY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Port of Oswego Authority, a component unit of the State of New York, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Port of Oswego Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port of Oswego Authority, as of March 31, 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

120 Madison Street, 1700 AXA Tower II, Syracuse, NY 13202 Phone: 315.234.1100 • Fax: 315.234.1111
1120 Commerce Park Drive East, Watertown, NY 13601 Phone: 315.788.7690 • Fax: 315.788.0966
www.bcpllc.com

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 Port of Oswego Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-9, Schedule of Changes in the Port's Total OPEB Liability and Related Ratios on page 41, Schedule of Proportionate Share of Net Pension Liability – NYSERS on page 42, and Schedule of Contributions – NYSERS on page 43, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022, on our consideration of the Port of Oswego Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port of Oswego Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port of Oswego Authority's internal control over financial reporting and compliance.

Bowers & Company

Syracuse, New York
June 23, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2022

Introduction

The following discussion and analysis of the financial performance and activity of the Port of Oswego Authority (the "Port") is intended to provide an introduction to the understanding of the financial statements of the Port for the year ended March 31, 2022, with selected comparative information for the year ended March 31, 2021. This selection has been prepared by management of the Port and should be read in conjunction with the financial statements and note disclosures that follow this section.

Financial Highlights

- The current assets of the Port exceeded its current liabilities at the close of the most recent fiscal year by $1,534,967 This amount may be used to the meet the Port's ongoing obligations to vendors and creditors in accordance with the Port's fiscal policies.

- The Port's total net position increased by $13,725,350 for the year ending March 31, 2022. The increase is attributable primarily to grants receivable for the many capital projects that are in process increased business.

- Total operating revenues of the Port increased by $57,374 which is attributable to an uptick in business (aluminum and project cargo) and the Anderson grain contract.

- Total operating expenses of the Port increased by $268,461. The increase is a result of interest expense (projects), increased health insurance rates, increased labor due to additional business and increased vessel costs associated with increased shipping.

- Operating loss of the Port increased by $211,087. The decrease is predominantly due to greater depreciation and OPEB costs.

- Capital contributions increased by $13,124,545 which is attributable to completed and ongoing construction projects that are funded by FEMA, NYS REDI, and NYS DOT in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2022

Statements of Net Position

The Statements of Net Position present the financial position of the Port at the end of the fiscal year and include all of its assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position represents the difference between assets and deferred outflows of resources, and liabilities, and deferred inflows of resources. A summarized comparison of the Port's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as follows:

	2022	2021
Current Assets	$ 2,741,023	$ 2,881,163
Property Held for Lease – Net	3,130,190	2,055,972
Capital Assets – Net	24,838,103	11,858,257
Total Assets	30,709,316	16,795,392
Deferred Outflows of Resources	1,078,429	1,112,145
Current Liabilities	1,206,056	935,805
Noncurrent Liabilities	4,179,931	4,514,754
Other Noncurrent Liabilities	2,468,591	2,804,664
Total Liabilities	7,854,578	8,255,223
Deferred Inflows of Resources	884,231	328,728
Net Position:		
Invested in Capital Assets, Net of Related Debt	23,260,003	9,533,741
Unrestricted	(211,067)	(210,155)
Total Net Position	$ 23,048,936	$ 9,323,586

The total net position of the Port increased by 147 percent ($23,048,936 in 2022 compared to $9,323,586 in 2021). This is due to the large ongoing grant construction projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2022

Statements of Revenues, Expenses, and Changes in Net Position

Change in net position is an indicator of whether the overall fiscal condition of an organization has improved or worsened during the year. Following is a summary of the Statement of Revenues, Expenses, and Changes in Net Position:

	2022	2021
REVENUES		
Operating Revenue	$ 2,747,122	$ 2,689,748
Nonoperating Revenue	282,249	(15,571)
Total Revenue	3,029,371	2,674,177
EXPENSES		
Operating Expenses	3,102,142	2,924,468
Other Operating Expenses – Depreciation	1,116,214	1,035,446
Other Operating Expenses – OPEB Expense	320,280	310,261
Total Expenses	4,538,636	4,270,175
Loss From Operating and Nonoperating	(1,509,265)	(1,595,998)
Capital Contributions	15,234,615	2,110,070
Change in Net Position	13,725,350	514,072
Net Position – Beginning of Year	9,323,586	8,809,514
Net Position – End of Year	$ 23,048,936	$ 9,323,586

Total operating revenues of the Port increased by $57,374 which is attributable to an uptick in business (aluminum and project cargo) and the Anderson grain contract.

Total expenses increased by 6 percent ($4,538,636 in 2022 compared to $4,270,175 in 2021). This increase directly related to a business increase realized by the Port.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2022

Schedule of Long-Term Debt

	2022	2021
New York State Retirement System	$ 1,729	$ 12,790
Due to State of New York	3,505,926	3,505,926
Note Payable	424,359	361,534
PPP Loan	374,895	354,500
Less: Current Portion	(99,570)	(99,345)
Total	$ 4,207,339	$ 4,135,405

At March 31, 2022 and 2021 total long-term debt includes Paycheck Protection Program ("PPP") loans that were not yet forgiven. In 2022, PPP loan recorded in 2021 was forgiven and is no longer considered outstanding debt.

The New York State Advance agreement expired on March 31, 2005. The Port has requested a new agreement however there has been no agreement as of yet.

Schedule of Capital Assets and Property Held for Lease

	2022	2021
Capital Assets	$ 24,838,103	$ 11,858,257
Property Held For Leases	3,130,190	2,055,972
Total	$ 27,968,293	$ 13,914,229

At March 31, 2022 total capital assets and property held for leases increased by 101 percent or $14,054,064 from 2021 due to a large grant funded ongoing project.

Management Discussion

The Port of Oswego Authority operation is the first U.S. port of call and deep-water port on the Great Lakes from the St. Lawrence Seaway and the only port in New York State on Lake Ontario.

In 1955, New York State (NYS) legislation created the Oswego Port Authority and constructed the new facility within a few years of the opening of the St. Lawrence Seaway.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2022

Management Discussion – Continued

The Port's mission is to serve as an economic catalyst in the Region by providing diversified and efficient transportation services while conducting operations in a manner that promotes regional growth and development.

Fiscal Year Overview

The Port's overall increase in operating revenue of $57,374 is attributable to an uptick in aluminum business, a project cargo and the new Anderson grain contract. The port was successful in starting the operation of the CNY Export center which included a contract with Anderson Grain.

In addition, the Port moved the largest single heavy lift project to the nuclear power plants which included several transformers and related equipment. The aluminum market moved in a favorable direction for the port with an increase in shipments.

Total operating expenses increased by 6 percent, $268,461. The port realized a business increase which is directly related to operating expenses to produce the revenue. These included the normal ship expenses associated with operating ship cargo as well as interest expense to finance projects, increased health insurance rates, increased labor due to additional business and increased utility and fuel rates.

Capital contributions increased by $13,124,545 which is attributable to completed and ongoing construction projects that are funded by FEMA, NYS REDI and NYS DOT in the current year.

Long-term debt increased as a result of a PPP loan that was received during the year but has not yet been forgiven. Relief was again requested for the annual payment to New York State on the fiifth supplemental agreement.

The Port successfully negotiated a contract with a new customer, Anderson Grain, which has returned grain to the port.

Future Developments

New Marina and finish Building 4

The Port is building a $1.8 million marina on the west pier. This will be brought into operation in the spring of 2023. Additionally, a new 150'x 150' dome is under construction to double potash storage at the Port. This building has been delayed due to the city of Oswego's lawsuit.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2022

Future Developments – Continued

Grain

With the completion of the grain silo, the Port has seen an increase in both ship and rail traffic. The Port loaded the first grain ship from the Great Lakes in 2022 and is continuing to show strong interest from local farmers in bringing product to the Port. We are planning a grant application to expand both the rail connections to the grain silo and increase loading with a new, faster conveyor system in 2023.

REDI Awards

The Port is scheduled to finish the Goble Marina in 2022. Additional funds were secured to finish the marina when, due to Covid, bids were higher than the budget. The present scope will include upgraded bathroom and a pavilion including water and electricity at the docks.

Foreign Trade Zone (“FTZ”)

The Port is in the final stage of establishing a FTZ. We are awaiting the final security plan which has to be approved by the Buffalo Distrct.

US Army Corp 107 for Harbor Deepening

The Port has been approved by the US Army Corp for the first stage to increase the harbor depth at the Port of Oswego. The Port has received $300,000 in matching funds from NYS DOT toward the total $600,000 for the start of the project.

Contacting the Port’s Financial Management

This report is designed to provide a general overview of the Port’s finances and to demonstrate the Port’s accountability for money it receives. If you have questions about this report or need additional information, contact the Port Management, at the following address: Port of Oswego Authority, 1 East 2nd Street, Oswego, NY 13126.

STATEMENT OF NET POSITION
March 31, 2022

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	418,641
Certificates of Deposit		87,556
Accounts Receivable		187,230
Other Receivable		760,621
Grants Receivable		1,204,458
Prepaid Expenses		73,346
Inventory		9,171
Total Current Assets		2,741,023
NONCURRENT ASSETS		
Capital Assets – Net		24,838,103
Property Held for Leases – Net		3,130,190
Total Noncurrent Assets		27,968,293
Total Assets	$	30,709,316

DEFERRED OUTFLOWS OF RESOURCES

OPEB	$	519,043
Pension		559,386
Total Deferred Outflows of Resources	$	1,078,429

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable	$	439,938
Accrued Payroll and Related Charges		52,666
Accrued Vacation		53,350
Retainage Payable		134,587
Revenue Anticipation Note		406,531
Deferred Payroll Taxes		19,414
Current Portion of Long-Term Debt		99,570
Total Current Liabilities		1,206,056
NONCURRENT LIABILITIES		
New York State Retirement System		1,729
Due to the State of New York		3,505,926
Postemployment Healthcare (OPEB) Liability		2,466,448
Net Pension Liability – Proportionate Share		2,143
Unearned Revenue		72,162
Note Payable		699,684
		6,748,092
Less: Current Portion		(99,570)
Total Noncurrent Liabilities		6,648,522
Total Liabilities	$	7,854,578

DEFERRED INFLOWS OF RESOURCES

Pension	$	635,495
OPEB		248,736
Total Deferred Inflows of Resources	$	884,231

NET POSITION

Net Investment in Capital Assets		23,260,003
Unrestricted		(211,067)
Total Net Position	$	23,048,936

See notes to financial statements and independent auditor’s report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2022

OPERATING REVENUES		
Rentals	$	393,181
Marina Operating Revenue		574,090
Port Operating Fees		1,779,851
Total Operating Revenues		2,747,122
OPERATING EXPENSES		
Salaries and Wages		1,197,922
Payroll Taxes and Fringe Benefits		323,201
Annual OPEB Expense		320,280
Employee Retirement and Pension Expense		257,761
Travel		1,388
Automotive		41,952
Office Supplies and Expense		44,886
Insurance		203,775
Advertising and Printing		14,008
Telephone and Postage		36,382
Utilities		74,736
Special Supplies and Expense		77,765
Professional Fees		151,988
Repairs and Maintenance		89,417
Rentals		159,507
Contract Trucking		78,118
Technical Services		19,940
Marina Supplies and Expense		324,941
Bad Debt Expense		4,455
Depreciation		1,116,214
Total Operating Expenses		4,538,636
TOTAL OPERATING LOSS		(1,791,514)
NON OPERATING REVENUE (EXPENSE)		
Interest Expense		(73,297)
Miscellaneous Income		355,546
Total Nonoperating Revenue		282,249
LOSS FROM OPERATIONS AND NON OPERATING ITEMS		(1,509,265)
Capital Contributions		15,234,615
Change in Net Position		13,725,350
Net Position – Beginning of Year		9,323,586
Net Position – End of Year	$	23,048,936

See notes to financial statements and independent auditor's report.

STATEMENT OF CASH FLOWS

Year Ended March 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$	2,593,900
Payments to Suppliers		(1,483,204)
Payments to Employees		(1,853,596)
Net Cash Used In Operating Activities		(742,900)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Contributions		15,475,899
Purchases of Capital Assets / Construction in Progress		(15,170,279)
Proceeds from Line of Credit		1,030,973
Payments on Line of Credit		(1,305,973)
Proceeds from PPP Loan		374,895
Proceeds from Revenue Anticipation Note		12,420,528
Payments on Revenue Anticipation Note		(12,013,997)
Interest Paid on Revenue Anticipation Note		(54,290)
Principal and Interest Paid on Note Payable		(55,752)
Principal Paid on Capital Debt		(11,061)
Net Cash Provided By Capital and Related Financing Activities		690,943
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned		1,046
Net Cash Provided By Investing Activities		1,046
Net Decrease in Cash and Cash Equivalents		(50,911)
Cash and Cash Equivalents – Beginning of Year		469,552
Cash and Cash Equivalents – End of Year	$	418,641
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$	(1,791,514)
Depreciation		1,116,214
Dividends Reinvested		(606)
Bad Debt Expense		4,455
(Increase) Decrease in Assets:		
Accounts Receivable		(139,497)
Prepaid Expenses		(14,313)
Inventory		(2,093)
Deferred Outflow of Resources, Pensions		(99,936)
Deferred Outflow of Resources, OPEB		133,652
Increase (Decrease) in Liabilities:		
Accounts Payable		(282,582)
Accrued Payroll and Related Charges		16,628
Accrued Vacation		(6,089)
Retainage Payable		134,587
OPEB Liability		242,649
Net Pension Liability - Proportionate Share		(578,722)
Deferred Inflow of Resources, Pensions		611,524
Deferred Inflow of Resources, OPEB		(56,021)
Deferred Payroll Taxes		(17,511)
Deferred Revenue		(13,725)
Net Cash Provided By Operating Activities	$	(742,900)

See notes to financial statements and independent auditor's report.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 1 – ORGANIZATION

Financial Reporting Entity

The accompanying financial statements include the combined operations of the Port Facilities Development Fund established under the Port of Oswego Authority Act, as amended by Section 4, Chapter 917, of the Laws of 1960 of the State of New York and the Port of Oswego Fund established under Section 1362, Chapter 917, of the Laws of 1960 of the State of New York. Properties and income of the Port of Oswego Authority (the “Port”) are exempt from taxation.

The Port is considered a component unit of the State of New York. Component units are legally separate organizations for which the State is financially accountable. The Port meets the definition as a component unit due to the financial accountability criteria. Board Members are appointed by the Governor of the State and the Port's budgets must be approved by the State. As such the State is financially accountable for the actions of the Port.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Port operations consist of a Port Fund, which is a proprietary type fund. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund equity is classified as net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Operating Revenues and Expenses - Continued

The performance obligation is satisfied when the service is provided to the customer. Revenue is recognized over time as a series of single performance obligations when the Port earns revenue from shipping services, rental fees, and storage which result from the Port's primary ongoing operations. Shipping services revenues consist of fees assessed for various activities relating to vessel and cargo movement.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. All deposits with financial institutions must be collateralized in an amount equal to 102% of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of the state and its municipalities and school districts. At March 31, 2022, the Port's bank balance was approximately $506,000, and all deposits were insured or collateralized.

The Port's investment policies are governed by state statutes. Permissible instruments include obligations of the United States of America, obligations guaranteed by agencies of the United States of America and obligations of the State of New York.

Receivables

Accounts receivable are stated at net estimated realizable value by writing off bad debts as they are determined to be uncollectible. Management has determined, based on historical experience, that substantially all the amounts should be fully collectible. Accordingly, no allowance for doubtful accounts has been established. An allowance will be established when an event occurs in the future that would necessitate a reserve. Trade accounts receivable are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest.

Grants receivable from federal and state agencies are recorded at the time the right to receive such funds occurs.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Prepaid Expenses

Expenses paid in advance are recorded as an asset and are amortized over the period of benefit.

Inventory

Inventory is valued at cost, which approximates the net realizable value, using the first-in, first-out method. The inventory of the Port consists of fuel and bait and tackle supplies and is recorded as an expenditure when consumed rather than when purchased.

Capital Assets

Capital assets are stated at cost or appraised value. The Port capitalizes all expenditures for property and equipment in excess of $1,000 and an estimated useful life of one year or more. Expenditures for maintenance, repairs, renewals and improvements which do not materially extend the useful lives of the assets are charged to operations when incurred.

Grants received from other governmental agencies to finance capital projects are shown as capital contributions and depreciation is recorded as a reduction to the investment in capital assets, net position account.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Buildings and improvements are assigned lives of 10 to 60 years, equipment 5 to 10 years, furniture and fixtures 5 to 10 years, and computer software 3 years.

Compensated Absences

The Port allows employees to accumulate unused sick leave to a maximum of 120 days. Earned vacation time can be accumulated up to 30 days in any single year. Employees may carry 10 vacation days from one year to the next or they may receive pay for unused vacation time. Upon termination, unused sick leave shall not have any monetary value, while vacation time accumulated up to 30 days will be paid to the employee. As of March 31, 2022, the liability for accrued vacation leave was approximately $53,000.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Statements of Cash Flows

Supplemental disclosures of cash flow information for the year ended March 31 are as follows:

	2022
Cash Payments:	
Interest	$ 73,297

Economic Dependency

The Port receives significant funding for capital projects from both New York State and the federal government. Curtailment of such revenue would have a significant impact on the Port's ability to fund capital projects. In addition, a significant percentage of revenue is derived from shipping aluminum to a local company.

Labor Agreements

The Port has an agreement with the International Longshoremen Association "Longshoremen" to provide labor services through December 31, 2017. As of the date of the financial statements, the agreement is in negotiations.

The Port has an agreement with the CSEA Inc, Local 1000 to provide labor services through March 21, 2023.

Retirement Benefit Plans

Substantially all full-time employees of the Port participate in the New York State Retirement System. The Port accrues this benefit based upon estimated rates furnished by the Retirement System and adjustments based upon actual payroll costs. Costs are funded as they are billed by the Retirement System. See Note 6 for additional information.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Retirement Benefit Plans – Continued

The Port also contributes to the Longshoremen's Pension Fund on behalf of members of the Association. Contributions are based upon rates per hour worked as defined in the labor agreement.

Unearned Revenue

Unearned revenue consists of funds remitted ahead of time for boats slips for the upcoming year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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 Port's changes of assumptions or other inputs to the New York State Employees' pension systems and to Other Postemployment Benefit ("OPEB") fall into this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Pensions and OPEB reported in the Statement of Net Position falls into this category. This represents the effect of the net changes of assumptions or other inputs.

New Accounting Standards

The Port has adopted all current Statements of the Governmental Accounting Standards Board ("GASB") that are applicable. At March 31, 2022, the Port implemented, as applicable, the following new standard issued by GASB:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending March 31, 2022.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Future Changes in Accounting Standards

- Statement No. 91, *Conduit Debt Obligations*, effective for the year ending March 31, 2023.

- Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the year ending March 31, 2023.

- Statement No. 87, *Leases*, effective for the year ended March 31, 2023.

The Port will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Net Position

The Port's basic financial statements are presented in conformance with the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments". Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

These classifications are defined as follows:

Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

Restricted Net Position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Agency.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

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

Subsequent Events

The Port has evaluated events and transactions that occurred between March 31, 2022 and June 23, 2022 which is the date the financial statements were available to be issued. Management has determined no such events have occurred.

NOTE 3 – LINE OF CREDIT

The Port has available a line of credit with a financial institution totaling $500,000. The line of credit is unsecured and bears interest at the prime rate published in the Wall Street Journal (currently 3.50%) plus one percentage point with a floor of 4.50%. The credit line will expire in April 2023. The outstanding balance on the line of credit for the year ended March 31, 2022 is $0. Under this agreement, the Port is subject to various financial covenants. Management is not aware of any events of default.

NOTE 4 – REVENUE ANTICIPATION NOTE

The Port may issue Revenue Anticipation Notes ("RAN") in anticipation of the receipt of revenues. RANs are recorded as a liability until repaid. The outstanding balance on RANs for the year ended March 31, 2022 is $406,531.

	Interest Rate	Maturity Date	3/31/2021	Additions	Payments	3/31/2022
RAN	2.8%	5/10/2022	$ -	$ 12,420,528	$(12,013,997)	$406,531

The RAN was issued in anticipation of grant revenue to reimburse the capital costs of the Agricultural Export Center.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 5 – LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2022 was as follows:

	Balance at 3/31/21	Additions	Payments / Forgiveness	Balance at 3/31/22
Due State of New York	$ 3,505,926	$ -	$ -	$ 3,505,926
Due to NYSERS - Chapter 57	12,790	-	11,061	1,729
Equipment Loan	361,534	-	36,745	324,789
PPP Loan	354,500	-	354,500	-
PPP Loan Round 2	-	374,895	-	374,895
Total Long-Term Debt	4,234,750	$ 374,895	$ 402,306	4,207,339
Less Amount Due Within One Year	(99,345)			(99,570)
	$ 4,135,405			$ 4,107,769

Due State of New York

During prior periods, the Port was appropriated funds from New York State through a number of appropriations acts. These appropriations totaled $5,570,000. These appropriations are advances from New York State and are repayable in accordance with the terms and conditions of such appropriation acts. The fifth supplement agreement extending the original repayment term expired in 2005. The terms and conditions of the fifth supplement agreement will continue until a new agreement is executed.

The advances are payable in annual installments of $50,000 and are non-interest bearing. The agreement requires the Port to pay any funds in excess of $750,000 (measured on an annual basis) to the State Comptroller until said advance is fully repaid. The terms and conditions of this agreement will continue until a new agreement is executed. The total advances due to New York State was approximately $3,506,000 for the year ended March 31, 2022. During March 31, 2022, the Port did not make payments on the Advances from NYS as they requested and received relief due to COVID.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 5 – LONG-TERM DEBT – Continued

Due to NYSERS – Chapter 57

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years. This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the employer opts to participate in the program. The total unpaid liability for the year ended March 31, 2022 was approximately $2,000.

Equipment Loan

During 2020 the Port financed a piece of equipment for $440,000. There was a $40,000 payment due upfront followed by monthly payments of $4,500 for 24 months, followed by approximately $5,400 for 60 months with the remainder due in March 2027 with an interest rate of 5.50%. The note is secured by equipment. The balance of the note for the year ended March 31, 2022 was approximately $325,000.

Paycheck Protection Program Loan

Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the Paycheck Protection Program ("PPP") provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (8 or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period.

On May 8, 2020, the Port received loan proceeds in the amount of $354,500 under the PPP. The Organization used the PPP loan proceeds for purposes consistent with the PPP, applied for forgiveness within the 10 months after the end of the covered period, and the loan was subsequently forgiven on August 30, 2021 and the Organization recognized $354,400 of loan forgiveness income during the year ended March 31, 2022 and is included in miscellaneous income.

On April 29, 2021, the Port received loan proceeds in the amount of $374,895 under the PPP Round 2. The Company has recorded a note payable and will record forgiveness upon being legally released from the loan obligation. While the Port used the PPP loan proceeds for purposes consistent with the PPP and applied for forgiveness within 10 months of the end of the covered period, no forgiveness income has been recorded for the year ended March 31, 2022.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 5 – LONG-TERM DEBT – Continued

Management believes it has met all of the terms required for forgiveness and expects the loan to be forgiven, with all accrued interest, during fiscal year ended 2023. Accordingly, the loan has been reflected as long-term on the balance sheet as no cash is expected to be used to extinguish the loan.

Future Maturities

Annual principal and interest payments of long-term debt are as follows:

	Principal	Interest
2023	$ 99,570	$ 19,668
2024	475,434	16,971
2025	103,390	14,120
2026	106,402	11,109
2027	166,617	4,642
Thereafter	3,255,926	0
Total	$ 4,207,339	$ 66,510

NOTE 6 – PENSION PLAN

General Information

The Port participates in the New York State and Local Employees' Retirement System ("NYSERS"). This system is a cost sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of NYSERS is held in the New York State Common Retirement Fund, established to hold all net position and record changes in plan net position allocated to NYSERS. The benefits of NYSERS are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once an employer elects to participate in the NYSERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. NYSERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at https://www.osc.state.ny.us/retirement/publications or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Benefits Provided

Benefits

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

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

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

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4, and 5 is 62.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Benefits Provided – Continued

Tier 3, 4, and 5

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 four years.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Benefits Provided – Continued

Vested Benefits

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Funding Policies

The NYSERS are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under tier VI vary based on a sliding salary scale. Under the authority of NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS fiscal year ending March 31. The Port paid 100% of the required contributions for the current year and two preceding years.

The required contributions for the current year and the two preceding years are as follows:

Years Ending March 31,	
2022	$ 122,376
2021	97,439
2020	87,758

Pension Liability, Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions

At March 31, 2022, the Port reported a net pension liability for its proportionate share of NYSERS net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The Port's proportion of the net pension liabilities were based on a projection of the Port's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, which were actuarially determined.

At March 31, 2022, the Port reported the following:

Net Pension Liability	$ 2,143
Port's Proportion Percentage of Plan's Total Net Position Liability	0.0021520%
Pension Expense	$ 55,235
Change in Port's Proportion Since Last Measurement Date	0.0000416%

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Pension Liability, Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions – Continued

At March 31, 2022, the Port reported deferred outflows and inflows related to NYSERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 26,170	$ 0
Changes of Assumptions	393,998	7,431
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	615,548
Changes in Proportion and Differences Between the Port's Contributions and Proportionate Share of Contributions	16,842	12,516
Port's Contributions Subsequent to Measurement Date	122,376	0
Total	$ 559,386	$ 635,495

The Port recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021, which resulted in a reduction of the net pension liabilities as of March 31, 2022.

The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

2023	$ (35,425)
2024	(11,828)
2025	(33,501)
2026	(117,731)
	$ (198,485)

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

Significant actuarial assumptions used in the valuations were as follows:

Cost of Living Adjustments	1.4%
Interest Rate	5.9%
Salary Increases	4.4%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.7%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Actuarial Assumptions – Continued

Asset Type	
Domestic Equity	4.05%
International Equity	6.30%
Private Equity	6.75%
Real Estate	4.95%
Opportunistic Portfolio	4.50%
Credit	3.63%
Real Assets	5.95%
Cash	0.50%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan’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.

The following presents the Port’s proportionate share of the net pension liability calculated using the discount rate of 5.90% percent, as well as what the Port’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower (4.90%) or 1% percent higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Port's Proportionate Share of the Net Pension Liability (Asset)	$ 594,767	$ 2,143	$ (544,396)

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 6 – PENSION PLAN – Continued

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of NYSERS as of the respective measurement date, were as follows:

Measurement Date	March 31, 2021
NYSERS's Total Pension Liability	$ (220,680,157)
Plan Net Position	220,580,583
NYSERS's Net Pension Liability	$ (99,574)
Ratio of Plan Net Position to the NYSERS's Total Pension Liability	99.95%

NOTE 7 – DEFERRED PAYROLL TAXES

The CARES Act includes a payroll tax deferral provision which allows employers to defer payment, without interest, of the 6.2% employer share of Social Security payroll taxes Port would otherwise would be responsible for paying in 2020, effective for such payments due after the date the Act was signed into law. Fifty percent of the deferred payroll taxes are due on December 31, 2021, and the remaining amount is due by December 31, 2022. The balance of deferred payroll taxes at March 31, 2022 is approximately $19,000.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 8 – CAPITAL CONTRIBUTIONS

Federal Grants

The Port was awarded four grants from the Federal Emergency Management Agency totaling approximately $6,400,000. The grants cover projects for facility damage to the East and West Terminals emergency protective measures from flooding, weigh scale, and east terminal connector road revetment. The grants are subject to various federal and grant specific requirements. Through the year ended March 31, 2022, approximately $829,000 has been utilized and earned by the Port. The revenue earned from the grant of approximately $187,000 is recorded in capital grants and contribution line on the Statements of Revenues, Expenses and Changes in Net Position.

New York State Grants

The Port has been awarded up to $2,250,000 in state grant funds from the NYS Department of Transportation. for the rehabilitation rail and the loading and uploading areas nearby. The State agrees to reimburse the Port a specified percentage of eligible project costs in accordance with the grant agreement. As of March 31, 2022, a total of approximately $773,000 has been utilized by the Port.

On February 2, 2017, the Port was awarded a grant totaling approximately $2,145,000 from New York State Department of Transportation. The grant provides for design, construction, reconstruction, improvement, or rehabilitation of rail facilities as specified in the grant agreement. The Port has not received any funding as of the date of these financial statements.

During May 2020, the Port was awarded a grant totaling $15,000,000 from New York State Department of Transportation. The grant provides for the preservation and capital improvements of the Project Facilities so as to allow for the safe and efficient movement of goods. During the year ended March 31, 2022 approximately $13,474,000 of the total award was earned and is recorded in the capital contributions line on the Statements of Revenues, Expenses and Changes in Net Position.

During fiscal year ended March 31, 2022, the Port was awarded multiple grants from the Dormitory Authority of the State of New York under the Lake Ontario Resiliency and Economic Development Initiative (“REDI”) funding source totaling approximately $1,729,000. These grants are for capital improvements to docks and other waterfront structures. During the year ended March 31, 2022 approximately $608,000 of the total award was earned and is recorded in the capital contributions line on the Statements of Revenues, Expenses and Changes in Net Position.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 9 – OPERATING LEASE – LESSOR

The Port is the lessor of various properties under operating leases expiring in various years through the year 2030. Rental income earned for the year ended March 31, 2022, under these agreements was approximately $275,000.

The following is a summary of property held for lease at March 31:

	2022
Land and Land Improvements	$ 1,376,575
Buildings and Improvements	4,012,217
Accumulated Depreciation	(2,258,602)
Total	$ 3,130,190

Minimum future rentals on non-cancelable leases are as follows:

2023	$ 287,000
2024	202,000
2025	197,000
2026	189,000
2027	193,000
Thereafter	528,000
Total	$ 1,596,000

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS

General Information

Plan Description – The Port's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the Port. The plan is a single-employer defined benefit OPEB plan administered by the Port and funded on a pay-as-you go basis. The Port does not fund the OPEB obligation.

GASB Statement 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expenses on the Statement of Revenues, Expenses and Changes in Net Position when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The post-employment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided – The Port provides post-employment healthcare benefits for certain eligible retirees.

Employees Covered by Benefit Terms – As of the Valuation Date, the following employees were covered by the benefit terms.

Inactive Members or Beneficiaries Currently Receiving Payments	6
Inactive Members Entitled to but Not Yet Receiving Benefits	0
Active Members	12
Total Covered Employees	18

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Total OPEB Liability

The Port has obtained an actuarial valuation report as of March 31, 2022 which indicates that the total liability of other postemployment benefits is $2,466,448 which is reflected in the Statement of Net Position. The OPEB liability was measured as of March 31, 2022 and was determined by an actuarial valuation as of April 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions	
Measurement Date	3/31/2022
Rate of Compensation Increase	3.00%
Inflation Rate	5.00%
Discount Rate	2.40%
Assumed Health Care Trend Rate at March 31	
Health Care Trend Rate Assumed for Next Fiscal Year	9.50%
Rate to Which Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	5.00%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2031
Additional Information	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (Years)	6.44
Method Used to Determine Actuarial Value	N/A

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on 20 year AA municipal bone rate as of March 31, 2021.

Mortality rates were based on the SOA RP-2014 total dataset mortality with scale MP-2020 (base year 2006).

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Changes in Total OPEB Liability

The following summarizes the changes in the total OPEB liability for each of the year ended March 31:

	2022
Net OPEB Liability - Beginning of Year	$ 2,223,799
Service Cost	230,943
Interest On Net OPEB Liability	52,877
Contributions Made	(41,171)
Net OPEB Liability - End of Year	$ 2,466,448

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher that the current discount rate (2.40%):

	1% Decrease (1.40%)	Discount Rate (2.40%)	1% Increase (3.40%)
Total OPEB Liability	$ 2,962,422	$ 2,466,448	$ 2,069,471

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Changes in Total OPEB Liability – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would be if it were calculated using a health care cost trend rates that is 1 percentage point lower or higher that the current healthcare cost trend rate (19.97% decreasing to 10%):

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 1,990,443	$ 2,466,448	$ 3,088,476

Deferred Outflow of Resources

At March 31, 2022, the Port reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 34,598	$ 248,736
Changes of Assumptions or Other Inputs	484,445	-
Total	$ 519,043	$ 248,736

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense during the following fiscal years:

2023	$ 77,631
2024	77,631
2025	98,035
2026	11,813
2027	5,197
Total	$ 270,307

NOTE 11 – OPERATING LEASES – LESSEE

The Port leases equipment and vehicles under operating lease agreements expiring various years through 2027. Rent expense incurred for the year ended March 31, 2022 under these agreements amounted to approximately $150,000.

Minimum future rental payments under the preceding non-cancellable operating leases, as of March 31, 2022, are as follows:

2023	$ 146,420
2024	133,464
2025	43,062
2026	6,840
2027	1,710
Total	$ 331,496

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 12 – NYS BUDGET

During 2015, the New York State budget designated the Port to receive $40,000,000 to link the facility with the Port of New York and create additional rail yards. The New York State Department of Transportation administered this funding through grant agreements. A total of $1,382,000 has been utilized by the Port.

The Port is currently in negotiations with New York State to be reimbursed for approximately $761,000 of cost associated with this project. The costs are recorded in the other receivable line on the statement of net position

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 13 – SCHEDULE OF CHANGES IN CAPITAL ASSETS AND PROPERTY HELD FOR LEASES AND ACCUMULATED DEPRECIATION - YEAR ENDED MARCH 31, 2022

	Capital Assets				Accumulated Depreciation				
	Balance 4/1/2021	Additions	Retirements	Balance 3/31/2022	Balance 4/1/2021	Additions	Retirements	Balance 3/31/2022	Depreciable Cost
Capital Assets:									
Construction Work in Progress	$ 1,478,708	$ 15,373,888	$ (1,405,097)	$ 15,447,499	$ -	$ -	$ -	$ -	$ 15,447,499
Land and Land Improvements	14,074,828	-	-	14,074,828	6,880,641	587,406	-	7,468,047	6,606,781
Buildings and Improvements	8,466,722	2,831	-	8,469,553	6,337,273	192,476	-	6,529,749	1,939,804
Equipment and Software	3,929,000	15,683	-	3,944,683	2,873,087	227,577	-	3,100,664	844,019
Total	$ 27,949,258	$ 15,392,402	$ (1,405,097)	$ 41,936,563	$ 16,091,001	$ 1,007,459	$ -	$ 17,098,460	$ 24,838,103
Property Held for Leases:									
Land and Land Improvements	$ 87,314	$ -	$ -	$ 87,314	34,024	$ 3,150	$ -	$ 37,174	$ 50,140
Buildings and Improvements	4,118,504	1,182,974	-	5,301,478	2,115,822	105,606	-	2,221,428	3,080,050
	$ 4,205,818	$ 1,182,974	$ -	$ 5,388,792	$ 2,149,846	$ 108,756	$ -	$ 2,258,602	$ 3,130,190

SCHEDULE OF CHANGES IN THE PORT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended March 31, 2022

	2022	2021	2020	2019
Total OPEB Liability				
Service Cost	$ 230,943	$ 225,530	$ 97,684	$ 91,803
Interest	52,877	47,306	67,199	63,473
Changes in Assumptions or Other Inputs	-	436,853	-	30,960
Difference Between Actual and Expected Experience	-	(360,778)	-	-
Benefit Payments	(41,171)	(40,206)	(45,708)	(44,039)
Net Change in total OPEB Liability	242,649	308,705	119,175	142,197
Total OPEB Liability - Beginning	2,223,799	1,915,094	1,795,919	1,653,722
Total OPEB Liability - Ending	$ 2,466,448	$ 2,223,799	$ 1,915,094	$ 1,795,919
Covered Payroll	$ 687,108	$ 667,095	$ 525,721	$ 606,297
Total OPEB as a Percentage of Covered Payroll	358.96%	333.36%	364.28%	296.21%

Changes of assumption and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect for this period is 2.40%.

Ten years of historical information was not available upon implementation. An additional year of information will be added each subsequent year of implementation until 10 years of historical data is available.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – NYSERS
Year Ended March 31, 2022

Employees' Retirement System (ERS)	2022	2021	2020	2019	2018	2017	2016
Port's Proportion of the Net Pension Liability	0.0021520%	0.0021936%	0.0022812%	0.0024170%	0.0026479%	0.0022628%	0.0018750%
Port's Proportionate Share of the Net Pension Liability	$ 2,143	$ 580,865	$ 161,627	$ 78,009	$ 248,799	$ 363,180	$ 62,585
Port's Covered Payroll	$ 803,867	$ 725,946	$ 658,487	$ 726,573	$ 749,718	$ 753,140	$ 638,429
Port's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.3%	80.0%	24.5%	10.7%	33.2%	48.2%	9.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

Ten years of historical information was not available upon implementation. An additional year of information will be added each subsequent year of implementation until 10 years of historical data is available.

SCHEDULE OF CONTRIBUTIONS – NYSERS
Year Ended March 31, 2022

	2022	2021	2020	2019	2018	2017	2016
Employees' Retirement System (ERS)							
Contractually Required Contribution	$ 122,376	$ 97,439	$ 87,758	$ 102,338	$ 105,713	$ 109,566	$ 110,075
Contributions in Relation to the Contractually Required Contribution	122,376	97,439	87,758	102,338	105,713	109,566	110,075
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Port's Covered Employee Payroll	$ 803,867	$ 725,946	$ 658,487	$ 726,573	$ 749,718	$ 753,140	$ 638,429
Contributions as a Percentage of Covered Employee Payroll	15.2%	13.4%	13.3%	14.1%	14.1%	14.5%	17.2%

Ten years of historical information was not available upon implementation. An additional year of information will be added each subsequent year of implementation until 10 years of historical data is available.