PORT OF OSWEGO AUTHORITY

FINANCIAL STATEMENTS

March 31, 2025

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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, 2025, 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, 2025, 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Oswego Authority basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2025, 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
July 22, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2025

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, 2025, with selected comparative information for the year ended March 31, 2024. 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 $963,616. 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 $2,199,279 for the year ending March 31, 2025. The increase is primarily attributable to capital contributions in the form of a federal and a NYS grant for repair of the West Pier and projects to complete the agricultural center, respectively. The capital contributions of approximately $4.0 million were partially offset by a net loss of $1.8 million, primarily resulting from depreciation of fixed assets of approximately $1.34 million.

- Total operating revenues of the Port decreased by $588,495 which is primarily attributable to a $597,582, or 101%, decrease in stevedoring fees resulting from a reduction of vessel import shipments of primary aluminum from metals commodity brokers.

- Total operating expenses of the Port decreased by $14,404. The decrease in expenses is negligible and primarily results from lower variable labor costs.

- Net operating loss of the Port increased by $599,520. The decrease is predominantly due to the same reduction of stevedoring fees referenced above, against fixed and variable operating costs which were only marginally lower in 2025 than the preceding year.

- Capital contributions increased by $2,135,219 which is attributable to completed and ongoing construction projects that were funded by FEMA and NYS DOT in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2025

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:

	2025	2024
Current Assets	$ 2,257,146	$ 2,424,650
Property Held for Lease – Net	3,018,010	3,168,076
Long-term Lease Receivable	985,935	1,317,654
Capital Assets – Net	31,192,948	27,161,102
Total Assets	37,454,039	34,071,482
Deferred Outflows of Resources	697,011	690,947
Current Liabilities	1,293,530	695,826
Noncurrent Liabilities	5,042,561	4,163,637
Other Noncurrent Liabilities	2,210,049	2,146,883
Total Liabilities	8,546,140	7,006,346
Deferred Inflows of Resources	2,155,315	2,505,767
Net Position:		
Invested in Capital Assets, Net	29,484,490	25,790,905
Restricted	14,130	19,003
Unrestricted	(2,049,025)	(559,592)
Total Net Position	$ 27,449,595	$ 25,250,316

The total net position of the Port increased by 8.71 percent ($27,449,595 in 2025 compared to $25,250,316 in 2024). This is due to the large ongoing grant construction projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2025

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:

	2025	2024
REVENUES		
Operating Revenue	$ 3,427,842	$ 4,016,337
Nonoperating Revenue (Expense)	16,335	1,764
Total Revenue	3,444,177	4,018,101
EXPENSES		
Operating Expenses	3,860,995	3,966,409
Other Operating Expenses – Depreciation	1,342,551	1,276,984
Other Operating Expenses – OPEB Expense	48,939	23,496
Total Expenses	5,252,485	5,266,889
Loss From Operating and Nonoperating Items	(1,808,308)	(1,248,788)
Capital Contributions	4,007,587	1,872,368
Change in Net Position	2,199,279	623,580
Net Position – Beginning of Year	25,250,316	24,626,736
Net Position – End of Year	$ 27,449,595	$ 25,250,316

Total operating revenues of the Port decreased by $588,495 which is primarily attributable to a $597,582, or 101%, decrease in stevedoring fees from a reduction of import shipments of primary aluminum from metals commodity brokers.

Total expenses decreased by 0.3 percent to $5,252,485 in 2025 compared to 5,266,889 in 2024.
The decrease in expenses is negligible and primarily results from lower variable labor costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2025

Schedule of Long-Term Debt

	2025	2024
Due to State of New York	$ 3,355,926	$ 3,405,926
Note Payable	611,439	476,800
Lease Liability	328,148	520,540
Less: Current Portion	(328,238)	(317,541)
Total	$ 3,967,275	$ 4,085,725

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

	2025	2024
Capital Assets	$ 31,192,948	$ 27,161,102
Property Held For Leases	3,018,010	3,168,076
Total	$ 34,210,958	$ 30,329,178

At March 31, 2025 total capital assets and property held for leases increased by 13 percent or $3,881,780 from 2024 due to significant ongoing projects and additional equipment purchased in the current year.

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, 2025

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 decrease in operating revenue of $573,924 is attributable to an overall decline in vessels making port of calls in Oswego. This impacts revenue for Dockage, Wharfage, and Stevedoring. There was also a significant reduction in grain handling and storage, as one buyer, and customer, departed the regional business, as another buyer was entering. The Port was able to establish an on-going contract with the new buyer, but less than 50% of the revenue is attributable to this fiscal year as the contract was signed mid-year.

Total operating expenses decreased by 0.3 percent, $14,404. The decrease in expenses is negligible and primarily results from lower variable labor costs.

Marina and Indoor Storage

The Port finalized construction and began preliminary operations of a new marina off the west pier. This will be brought into fuller operation in the summer of 2025. Additionally, a new 150'x 150' dome construction to create additional indoor storage at the Port was completed in the summer of 2024. The Port is currently seeking optimal usage to enhance revenue and provide a return on the investment.

The Oswego Marina, operated by the port on the east side, is set to be full for the 2025 boating and fishing season, providing services to local pleasure boaters, charter captains, and boaters traversing the great lakes, St. Lawrence Seaway, and New York Canal System.

Rail Improvements

The Port was funded, in 2023-2024, for over $4 million in expansion of the rail capacity of the Port's current trackage. This includes the ability to both load and unload at the same time at the grain silo, doubling production of the system. The implementation of this construction on the new rail has been delayed by the significant usage of the site of the new rail, for transloading and storage of large granite blocks being used to repair the breakwall of the Oswego Harbor.

In May 2025, the port awarded over $1.8 million for the production and delivery of an all-electric rail car mover, expected by December 2025, which will more than double the ability to move rail cars and have an overall decrease in maintenance costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2025

Fiscal Year Overview – Continued

Oswego Harbor Breakwall Repair

Breakwall repairs for the benefit of the Oswego Harbor is staged and effectuated at the Port of Oswego Authority east and west side wharfs. The breakwall repair project is a significant investment made by the U.S. Army Corps of Engineers, on subcontract to Dean Marine Excavating. The project has been on-going since 2023 and will continue into 2026, including breakwall repair in Sodus Bay.

Grain

In July 2024, The Port finalized a contract with a family-owned company, which is one of the largest exporters of containerized grain in the country, and has been purchasing soybeans and corn from local farmers for storage and transloading through the port's agricultural center silo. The port receives rental fees for the silos and transload fees to move the grain in and out of the silo.

Foreign Trade Zone ("FTZ")

The port's Foreign Trade Zone has received interest from multiple potential customers to take advantage of the deferment of tariffs allowed through this unique structure. Multiple quotes are out to bid as international companies seek to navigate the evolving trade environment in the United States.

New Business

The port successfully secured the business of a local manufacturer of aluminum, and one of the region's largest private employers, to receive large domestic, recycled aluminum ingot slabs by rail, for unloading, storage, and transloading to the local facility. This should be an on-going source of steady business and revenue for the port over the next few years.

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, 2025

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	145,415
Certificates of Deposit		113,945
Accounts Receivable		173,423
Interest Receivable		2,809
Lease Receivable		331,720
Grants Receivable		1,351,896
Prepaid Expenses		109,702
Reserve Account - New York State Retirement System		14,130
Inventory		14,106
Total Current Assets		2,257,146
NONCURRENT ASSETS		
Capital Assets – Net		31,192,948
Long-term Lease Receivable		985,935
Properties Held for Lease – Net		3,018,010
Total Noncurrent Assets		35,196,893
Total Assets	$	37,454,039

DEFERRED OUTFLOWS OF RESOURCES

OPEB	$	254,270
Pension		442,741
Total Deferred Outflows of Resources	$	697,011

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable	$	591,131
Accrued Payroll and Related Charges		121,373
Accrued Vacation		52,893
Retainage Payable		174,895
Other Current Liabilities		25,000
Current Portion of Lease Liability		168,561
Current Portion of Long-Term Debt		159,677
Total Current Liabilities		1,293,530
NONCURRENT LIABILITIES		
Due to the State of New York		3,355,926
Postemployment Healthcare (OPEB) Liability		1,851,195
Net Pension Liability – Proportionate Share		358,854
Lines of Credit		1,012,274
Unearned Revenue		63,012
Lease Liability		328,148
Note Payable		611,439
		7,580,848
Less: Current Portion		(328,238)
Total Noncurrent Liabilities		7,252,610
Total Liabilities	$	8,546,140

DEFERRED INFLOWS OF RESOURCES

Pension	$	186,101
OPEB		734,031
Leases		1,235,183
Total Deferred Inflows of Resources	$	2,155,315

NET POSITION

Net Investment in Capital Assets	$	29,484,490
Restricted		14,130
Unrestricted		(2,049,025)
Total Net Position	$	27,449,595

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2025

OPERATING REVENUES		
Rentals	$	695,899
Marina Operating Revenue		649,967
Port Operating Fees		2,081,976
Total Operating Revenues		3,427,842
OPERATING EXPENSES		
Salaries and Wages		1,500,503
Payroll Taxes and Fringe Benefits		420,991
Annual OPEB Expense		48,939
Employee Retirement and Pension Expense		450,993
Travel		15,739
Automotive		38,409
Office Supplies and Expense		55,761
Insurance		323,616
Advertising and Printing		29,135
Telephone and Postage		25,511
Utilities		109,156
Special Supplies and Expense		123,696
Professional Fees		166,265
Repairs and Maintenance		138,067
Rentals		38,270
Lease Interest Expense		16,280
Contract Trucking		2,759
Technical Services		33,611
Marina Supplies and Expense		372,233
Depreciation and Amortization Expense		1,342,551
Total Operating Expenses		5,252,485
TOTAL OPERATING LOSS		(1,824,643)
NON OPERATING REVENUE (EXPENSE)		
Interest Expense		(95,138)
Interest Income		66,476
Total Nonoperating Revenue (Expense)		16,335
LOSS FROM OPERATIONS AND NON OPERATING ITEMS		(1,808,308)
Capital Contributions		4,007,587
Change in Net Position		2,199,279
Net Position – Beginning of Year		25,250,316
Net Position – End of Year	$	27,449,595

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

STATEMENT OF CASH FLOWS
Year Ended March 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$	3,739,056
Payments to Suppliers		(1,556,293)
Payments to Employees		(2,248,929)
Net Cash Provided By (Used In) Operating Activities		(66,166)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Contributions		2,991,113
Purchases of Capital Assets / Construction in Progress		(4,969,046)
Payments to NYS		(50,000)
Proceeds from Line of Credit		3,228,828
Principal and Interest Paid on Line of Credit		(2,269,610)
Principal and Interest Paid on Notes Payable		(130,765)
Net Cash Used In Capital and Related Financing Activities		(1,199,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned		66,476
Net Cash Provided By Investing Activities		66,476
Net Decrease in Cash and Cash Equivalents		(1,199,170)
Cash and Cash Equivalents – Beginning of Year		1,344,585
Cash and Cash Equivalents – End of Year	$	145,415
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$	(1,824,643)
Depreciation and Amortization		1,342,551
(Increase) Decrease in Assets:		
Accounts Receivable		(28,539)
Interest Receivable		924
Lease Receivable		353,729
Prepaid Expenses		(4,324)
Inventory		2,898
Reserve Account - New York State Retirement System		4,873
Deferred Outflow of Resources, Pensions		(3,533)
Deferred Outflow of Resources, OPEB		(2,531)
Increase (Decrease) in Liabilities:		
Accounts Payable		383,975
Accrued Payroll and Related Charges		49,346
Accrued Vacation		(21,209)
Lease Liability		(192,392)
Retainage Payable		174,895
OPEB Liability		195,715
Net Pension Liability - Proportionate Share		(132,549)
Deferred Inflow of Resources, Leases		(369,915)
Deferred Inflow of Resources, Pensions		163,708
Deferred Inflow of Resources, OPEB		(144,245)
Unearned Revenue		(14,900)
Net Cash Provided By Operating Activities	$	(66,166)

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

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, 2025

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. Profit sharing revenue is earned from projects that are completed with a partner where expenses as well as profits are shared.

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, 2025, the Port's bank balance was approximately $259,000, 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 the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that credit losses on balances outstanding at year-end will be immaterial.

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

Prepaid Expenses

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

Intangible Lease Assets

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of $1,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the lease term consistent with the decrease in the related lease liability.

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, 2025, the liability for accrued vacation leave was approximately $53,000.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Statement of Cash Flows

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

	2025
Cash Payments:	
Interest	$ 95,138

Supplemental disclosure of noncash financing activities at March 31 is as follows:

	2025
Note Payable in Exchange for Capital Assets	$ 223,323

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 June 30, 2026.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Retirement Benefit Plans

All full-time employees of the Port participate in the New York State Retirement System and part-time employees have the option to participate. 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 5 for additional information.

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, leases, and OPEB reported in the Statement of Net Position fall into this category. This represents the effect of the net changes of assumptions or other inputs.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Standards

The Port has adopted all current Statements of the Governmental Accounting Standards Board ("GASB") that are applicable. At March 31, 2025, the Port implemented, as applicable, the following new standards issued by GASB:

- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended March 31, 2025.
- Statement No. 101, *Compensated Absences*, effective for the year ended March 31, 2025.

Future Accounting Standards

- GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ended March 31, 2026.
- GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ended March 31, 2027.
- GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ended March 31, 2027.

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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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. For the year ended March 31, 2025, the Port has approximately $14,000 in restricted net position.

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 Port.

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, 2025 and July 22, 2025 which is the date the financial statements were available to be issued. Management has determined no such events have occurred.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

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 7.50%) plus one percentage point with a floor of 4.50%. The credit line expires in April 2026. The outstanding balance on the line of credit for the year ended March 31, 2025 is approximately $62,000. Under this agreement, the Port is subject to various financial covenants. Management is not aware of any events of default.

The Port has available a line of credit with a financial institution totaling $1,400,000. The line of credit is secured by assignment of awarded grants and bears interest at the prime rate published in the Wall Street Journal (currently 7.50%) minus one percentage point with a floor of 3.25%. The credit line expires in July 2026. The outstanding balance on the line of credit for the year ended March 31, 2025 is approximately $950,000. Under this agreement, the Port is subject to various financial covenants. Management is not aware of any events of default.

NOTE 4 – LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2025 was as follows:

	Balance at 3/31/24	Additions	Payments	Balance at 3/31/25
Due State of New York	$ 3,405,926	$ -	$ 50,000	$ 3,355,926
Wheel Loader Loan	-	223,323	13,575	209,748
Vehicle Loan	44,996	-	7,088	37,908
Forklift Loan	431,804	-	68,021	363,783
Lease Liability	520,540	-	192,392	328,148
Total Long-Term Debt	4,403,266	$ 223,323	$ 331,076	4,295,513
Less Amount Due Within One Year	(317,541)			(328,238)
	$ 4,085,725			$ 3,967,275

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – LONG-TERM DEBT – Continued

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 $3,356,000 for the year ended March 31, 2025.

Vehicle Loan

During 2023 the Port financed a vehicle for approximately $49,000. The payments are due in monthly installments of approximately $830 for 72 months with the remainder due in August 2029 with an interest rate of 6.875%. The note is secured by the vehicle. The balance of the note for the year ended March 31, 2025 was approximately $38,000.

Forklift Loan

During 2023 the Port financed a forklift for approximately $474,000. The payments are due in monthly installments of approximately $8,300 for 72 months with the remainder due in July 2029 with an interest rate of 7.75%. The note is secured by the forklift. The balance of the note for the year ended March 31, 2025 was approximately $364,000.

Wheel Loader Loan

During 2024 the Port financed a wheel loader for approximately $223,000. The payments are due in monthly installments of approximately $3,500 for 60 months followed by a balloon payment of approximately $65,000 with the remainder due in October 2029 with an interest rate of 6.75%. The note is secured by the wheel loader. The balance of the note for the year ended March 31, 2025 was approximately $210,000.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 4 – LONG-TERM DEBT – Continued

Future Maturities

Annual principal and interest payments of long-term debt (see note 10 for lease liability) are as follows:

	Principal	Interest
2026	$ 328,238	$ 51,327
2027	312,893	36,231
2028	191,993	23,970
2029	186,976	13,970
2030	169,487	3,500
Thereafter	3,105,926	0
Total	$ 4,295,513	$ 128,998

NOTE 5 – 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, 2025

NOTE 5 – 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.

Tier 3, 4, and 5

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 5 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, 2025

NOTE 5 – PENSION PLAN – Continued

Benefits Provided – Continued

Tier 3, 4, and 5 – Continued

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 5 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 5 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 5 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 four years.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 5 – PENSION PLAN – 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. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

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, 2025

NOTE 5 – PENSION PLAN – Continued

Funding Policies

The NYSERS is 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 Port chose not to prepay the required contributions by December 15, 2024).

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

Years Ending March 31,	
2025	$ 142,171
2024	111,659
2023	92,621

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

At March 31, 2025, 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, 2024, 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, 2025, the Port reported the following:

Net Pension Liability	$ 358,854
Port's Proportion Percentage of Plan's Total Net Position Liability	0.0024372%
Pension Expense	$ 170,857
Change in Port's Proportion Since Last Measurement Date	0.0001456%

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 5 – PENSION PLAN – Continued

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

At March 31, 2025, the Port reported deferred outflows and inflows related to NYSERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 115,587	$ 9,785
Changes of Assumptions	135,675	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	175,298
Changes in Proportion and Differences Between the Port's Contributions and Proportionate Share of Contributions	49,308	1,018
Port's Contributions Subsequent to Measurement Date	142,171	0
Total	$ 442,741	$ 186,101

The Port recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024, which resulted in a reduction of the net pension liabilities as of March 31, 2025.

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

2025	$ (49,645)
2026	83,828
2027	112,920
2028	(32,634)
	$ 114,469

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 5 – PENSION PLAN – Continued

Actuarial Assumptions

The total pension liability at March 31, 2024 was determined using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024 (measurement date).

Significant actuarial assumptions used in the valuations were as follows:

Cost of Living Adjustments	1.5%
Interest Rate	5.9%
Salary Scale	4.4%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.9%

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-2021.

The actuarial assumptions used in the April 1, 2023 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, 2025

NOTE 5 – PENSION PLAN – Continued

Actuarial Assumptions – Continued

Asset Type	
Domestic Equity	4.00%
International Equity	6.65%
Private Equity	7.25%
Real Estate	4.60%
Opportunistic Portfolio	5.25%
Credit	5.40%
Real Assets	5.79%
Fixed Income	1.50%

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)	$ 1,128,274	$ 358,854	$ (283,771)

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 5 – 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, 2024
NYSERS's Total Pension Liability	$ (240,696,851)
Plan Net Position	225,972,801
NYSERS's Net Pension Liability	$ (14,724,050)
Ratio of Plan Net Position to the NYSERS's Total Pension Liability	93.88%

NOTE 6 – CAPITAL CONTRIBUTIONS

Federal Grants

The Port was awarded four grants from the Federal Emergency Management Agency totaling approximately $6,700,000. 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. The revenue earned from the grant of approximately $3,288,000 is recorded in capital grants and contribution line on the Statements of Revenues, Expenses and Changes in Net Position. As of March 31, 2025, a total of approximately $5,606,000 has been utilized by the Port.

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. During the year ended March 31, 2025 approximately $36,000 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. As of March 31, 2025, a total of approximately $1,134,000 has been utilized by the Port.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 6 – CAPITAL CONTRIBUTIONS – Continued

New York State Grants – Continued

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, 2025 approximately $464,000 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. As of March 31, 2025, a total of approximately $14,307,000 has been utilized by the Port.

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, 2025 approximately $8,000 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. As of March 31, 2025, a total of approximately $1,699,000 has been utilized by the Port.

During fiscal year ended March 31, 2025, the Port was awarded a grant totaling approximately $1,832,000 from New York State Department of Transportation. The grant provides for the preservation and improvement of the Project Facilities so as to allow for the safe and efficient movement of rail and vehicular traffic. During the year ended March 31, 2025 approximately $28,000 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. As of March 31, 2025, a total of approximately $28,000 has been utilized by the Port.

During fiscal year ended March 31, 2025, the Port was awarded a grant totaling approximately $2,861,000 from New York State Department of Transportation. The grant provides for the preservation and improvement of the Project Facilities so as to allow for the safe and efficient movement of rail and vehicular traffic. The total cost of this project is approximately $3,012,000 with the Port responsible for 5% of the total funding for this project, or approximately $151,000. During the year ended March 31, 2025 approximately $182,000 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. As of March 31, 2025, a total of approximately $182,000 has been utilized by the Port.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 7 – LEASE RECEIVABLE

The Port is the lessor of various properties under operating leases expiring in various years through the year 2032. In accordance with GASB 87, *Leases*, the lease receivable of $1,410,617 was recorded to equal the present value of all payments expected to be received during the lease term with a corresponding offset of $1,410,617 to deferred inflow of resources as of April 1, 2022. The total amount of inflows of resources, including lease revenue, interest revenue and other lease related inflows recognized during the fiscal year was $408,759. The lease receivable at March 31, 2025 is approximately $1,318,000.

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

	2025
Land and Land Improvements	$ 479,211
Buildings and Improvements	5,349,769
Accumulated Depreciation	(2,810,970)
Total	$ 3,018,010

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

	Principal	Interest
2026	$ 331,720	$ 28,629
2027	257,720	21,000
2028	269,089	14,561
2029	175,317	9,066
2030	111,030	5,437
Thereafter	172,779	4,370
Total	$ 1,317,655	$ 83,063

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 8 – 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	7
Inactive Members Entitled to but Not Yet Receiving Benefits	0
Active Members	12
Total Covered Employees	19

Total OPEB Liability

The Port has obtained an actuarial valuation report as of March 31, 2025 which indicates that the total liability of other postemployment benefits is $1,851,195 which is reflected in the Statement of Net Position. The OPEB liability was measured as of March 31, 2025 and was determined by an actuarial valuation as of April 1, 2024.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 8 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2024 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	3/31/2025
Rate of Compensation Increase	3.50%
Inflation Rate	4.54%
Discount Rate	4.45%
Assumed Health Care Trend Rate at March 31	
Health Care Trend Rate Assumed for Next Fiscal Year	
Pre 65 years old	8.00%
Post 65 years old	5.00%
Rate to Which Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.54%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	
Pre 65 years old	2090
Post 65 years old	2027
Additional Information	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (Years)	6.47
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 bond rate as of March 31, 2025.

Mortality rates were based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Contingent Survivors Headcount-Weighted Mortality.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 8 – POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

Changes in Total OPEB Liability

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

	2025
Net OPEB Liability - Beginning of Year	$ 1,655,480
Service Cost	91,322
Interest	80,226
Assumption Changes	(73,209)
Differences Between Actual and Expected Experience	161,079
Contributions Made	(63,703)
Net OPEB Liability - End of Year	$ 1,851,195

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 than the current discount rate (4.45%):

	1% Decrease (3.45%)	Discount Rate (4.45%)	1% Increase (5.45%)
Total OPEB Liability	$ 2,139,522	$ 1,851,195	$ 1,616,364

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 than the current healthcare cost trend rate (5.94% decreasing to 3.94%):

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 1,578,648	$ 1,851,195	$ 2,195,375

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 8 – POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

Deferred Outflows and Inflows of Resources

At March 31, 2025, 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	$ 139,425	$ 283,391
Changes of Assumptions or Other Inputs	114,845	450,640
Total	$ 254,270	$ 734,031

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

2026	$ (104,320)
2027	(131,340)
2028	(136,537)
2029	(127,529)
2030	13,581
Thereafter	6,384
Total	$ (479,761)

NOTE 9 – 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. Approximately $20,000,000 was redesignated to CSX and $15,000,000 was designed for the Projects Facility (Note 6). The New York State Department of Transportation administered this funding through grant agreements. A total of $16,165,000 has been utilized by the Port.

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 10 – LEASE LIABILITY

The Port has leases for vehicles and equipment. The vehicle lease agreement is dated May 31, 2022 through April 30, 2025. The equipment lease agreements range from March 1, 2017 to October 31, 2027.

The components of lease expense for the year ended March 31, 2025 are as follows:

Vehicle	$ 3,372
Equipment	193,863
Total Amortization Expense	197,235
Interest on Lease Liabilities	16,280
Total	$ 213,515

Other information related to leases for the year ended March 31, 2025 is as follows:

Description	Interest Rate	Issue Date	Final Maturity	Balance
Equinox	2.71%	5/31/2022	4/30/2025	$ 293
TNE 12 Hangcha Forklifts	3.96%	2/1/2024	1/31/2027	253,986
Avaya Yealink T Series	4.36%	11/3/2022	10/31/2027	62,794
Leaf Kyocera	2.55%	9/28/2021	12/31/2026	3,221
TNE Forklift	2.55%	6/1/2021	5/31/2026	7,854
				$ 328,148

	April 1, 2024	Additions	Reductions	March 31, 2025
Lease Liability	$ 520,540	$ -	$ 192,392	$ 328,148

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 10 – LEASE LIABILITY – Continued

Future minimum lease payments as of March 31, 2025 are as follows:

	Principal	Interest	Total
2026	$ 168,560	$ 10,059	$ 178,619
2027	144,785	3,394	148,179
2028	14,803	216	15,019
Total	$ 328,148	$ 13,669	$ 341,817

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 11 – SCHEDULE OF CHANGES IN CAPITAL ASSETS AND PROPERTIES HELD FOR LEASE AND ACCUMULATED DEPRECIATION - YEAR ENDED MARCH 31, 2025

	Capital Assets				Accumulated Depreciation				
	Balance 4/1/2024	Additions	Retirements	Balance 3/31/2025	Balance 4/1/2024	Additions	Retirements	Balance 3/31/2025	Depreciable Cost
Capital Assets:									
Construction Work in Progress	$ 18,666,510	$ 4,840,390	$ (14,987,667)	$ 8,519,233	$ -	$ -	$ -	$ -	$ 8,519,233
Land and Land Improvements	14,074,828	-	-	14,074,828	8,623,469	549,558	-	9,173,027	4,901,801
Buildings and Improvements	8,515,160	15,049,555	-	23,564,715	6,906,905	191,102	-	7,098,007	16,466,708
Equipment and Software	4,109,634	273,664	-	4,383,298	3,191,846	206,201	-	3,398,047	985,251
Intangible Lease Assets	758,057	-	(188,910)	569,147	240,867	8,325	-	249,192	319,955
Total	$ 46,124,189	$ 20,163,609	$ (15,176,577)	$ 51,111,221	$ 18,963,087	$ 955,186	$ -	$ 19,918,273	$ 31,192,948
Properties Held for Lease:									
Land and Land Improvements	$ 430,822	$ 48,389	$ -	$ 479,211	$ 54,178	$ 26,051	$ -	$ 80,229	$ 398,982
Buildings and Improvements	5,349,769	-	-	5,349,769	2,558,337	172,404	-	2,730,741	2,619,028
	$ 5,780,591	$ 48,389	$ -	$ 5,828,980	$ 2,612,515	$ 198,455	$ -	$ 2,810,970	$ 3,018,010

SCHEDULE OF CHANGES IN THE PORT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended March 31, 2025

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service Cost	$ 91,322	$ 100,573	$ 97,172	$ 230,943	$ 225,530	$ 97,684	$ 91,803
Plan Change	-	-	43,482	-	-	-	-
Interest	80,226	57,024	53,743	52,877	47,306	67,199	63,473
Changes in Assumptions or Other Inputs	(73,209)	-	(684,744)	-	436,853	-	30,960
Difference Between Actual and Expected Experience	161,079	-	(357,074)	-	(360,778)	-	-
Benefit Payments	(63,703)	(61,614)	(59,530)	(41,171)	(40,206)	(45,708)	(44,039)
Net Change in total OPEB Liability	195,715	95,983	(906,951)	242,649	308,705	119,175	142,197
Total OPEB Liability - Beginning	1,655,480	1,559,497	2,466,448	2,223,799	1,915,094	1,795,919	1,653,722
Total OPEB Liability - Ending	$ 1,851,195	$ 1,655,480	$ 1,559,497	$ 2,466,448	$ 2,223,799	$ 1,915,094	$ 1,795,919
Covered Payroll	$ 806,616	$ 817,145	$ 789,512	$ 687,108	$ 667,095	$ 525,721	$ 606,297
Total OPEB as a Percentage of Covered Payroll	229.50%	202.59%	197.53%	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 4.45%.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – NYSERS
Year Ended March 31, 2025

Employees' Retirement System (ERS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Port's Proportion of the Net Pension Liability (Asset)	0.0024372%	0.0022916%	0.0022941%	0.0021520%	0.0021936%	0.0022812%	0.0024170%	0.0026479%	0.0022628%	0.0018750%
Port's Proportionate Share of the Net Pension Liability (Asset)	$ 358,854	$ 491,403	$ (187,532)	$ 2,143	$ 580,865	$ 161,627	$ 78,009	$ 248,799	$ 363,180	$ 62,585
Port's Covered Payroll	$ 935,324	$ 888,565	$ 843,170	$ 803,867	$ 725,946	$ 658,487	$ 726,573	$ 749,718	$ 753,140	$ 638,429
Port's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Employee Payroll	38.4%	55.3%	22.2%	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 (Asset)	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See paragraph on Required Supplementary Information included in auditor's report.

SCHEDULE OF CONTRIBUTIONS – NYSERS

Year Ended March 31, 2025

Employees' Retirement System (ERS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 142,171	$ 111,659	$ 92,621	$ 122,376	$ 97,439	$ 87,758	$ 102,338	$ 105,713	$ 109,566	$ 110,075
Contributions in Relation to the Contractually Required Contribution	142,171	111,659	92,621	122,376	97,439	87,758	102,338	105,713	109,566	110,075
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Port's Covered Employee Payroll	$ 935,324	$ 888,565	$ 843,170	$ 803,867	$ 725,946	$ 658,487	$ 726,573	$ 749,718	$ 753,140	$ 638,429
Contributions as a Percentage of Covered Employee Payroll	15.2%	12.6%	11.0%	15.2%	13.4%	13.3%	14.1%	14.1%	14.5%	17.2%

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 2925(3)(F) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

TO THE BOARD OF DIRECTORS
PORT OF OSWEGO AUTHORITY

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Port of Oswego Authority (the Port), which comprise the statement of net position as of March 31, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements and have issued our report thereon dated July 22, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Port failed to comply with the Port's Investment Policy, the New York State Comptroller's Investment Guidelines, and Section 2925(3)(F) of the NYS Public Authorities Law during the year ended March 31, 2025. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such investment guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Port's noncompliance with the above rules and regulations.

This report is intended solely for the information and use of management of the Port, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be, and should not be, used by anyone other than these specified parties.

Bowers & Company

Syracuse, New York
July 22, 2025

FEDERAL AWARD PROGRAM INFORMATION

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

BOARD MEMBERS OF
PORT OF OSWEGO AUTHORITY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Port of Oswego Authority, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Port of Oswego Authority's basic financial statements and have issued our report thereon dated July 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port of Oswego Authority's internal control over financial reporting (internal control) as a basis for designing the 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 Port of Oswego Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port of Oswego Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port'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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bowers & Company

Syracuse, New York
July 22, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

BOARD MEMBERS OF
PORT OF OSWEGO AUTHORITY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Port of Oswego Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Port of Oswego Authority's major federal programs for the year ended March 31, 2025. Port of Oswego Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Port of Oswego Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Port of Oswego Authority 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 for each major federal program. Our audit does not provide a legal determination of Port of Oswego Authority'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 Port of Oswego Authority's federal programs.

Auditor's 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 Port of Oswego Authority'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 Port of Oswego Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 Port of Oswego Authority'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 Port of Oswego Authority'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Port of Oswego Authority'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 a federal program 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 a federal program 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 a federal program 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 Auditor's 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bowers & Company

Syracuse, New York
July 22, 2025

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditure
U. S. Department of Homeland Security			
Passed through NYS Division of Homeland Security and Emergency Services:			
Disaster Grants - Public Assistance	97.036	4348 DR NY	$ 2,817,467
Total Passed Through NYS Division of Homeland Security and Emergency Services:			2,817,467
Total U.S. Department of Homeland Security			2,817,467
Total Expenditures of Federal Awards			$ 2,817,467

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
March 31, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("Schedule") includes the activity of federal award activity of Port of Oswego Authority under programs of the federal government for the year ended March 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Port, it is not intended to and does not present the net position, changes in net position, or cash flows of the Port.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The Port has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Matching costs, the Port's share of grant costs, are not included in the reported expenditures.

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
March 31, 2025

NOTE A – SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Port of Oswego Authority were prepared in accordance with GAAP.

2. No significant deficiencies were disclosed during the audit of the financial statements of Port of Oswego Authority. No material weaknesses are reported.

3. No instances of noncompliance material to the financial statements of Port of Oswego Authority, which would be required to be reported in accordance with the *Government Auditing Standards,* was disclosed during the audit.

4. No significant deficiencies in internal controls over major programs were disclosed during the audit of the major federal award programs of Port of Oswego Authority. No material weaknesses are reported.

5. The auditor's report on compliance for the major federal award program for Port of Oswego Authority expresses an unmodified opinion on all major federal programs.

6. There was no audit findings required to be reported in accordance with 2 CFR section 200.516(a) related to the major federal programs for Port of Oswego Authority.

7. The Program tested as a major program includes:

   U.S. Department of Homeland Security

Passed Through New York State Division of Homeland Security and Emergency Services:	
Disaster Grants - Public Assistance	97.036

8. The threshold for distinguishing between Types A and B programs was $750,000.

9. Port of Oswego Authority was determined not to be a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
March 31, 2025

NOTE B – FINANCIAL STATEMENT AUDIT FINDINGS

There were no findings to report.

NOTE C – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings to report.