PORT OF OSWEGO AUTHORITY

FINANCIAL STATEMENTS

March 31, 2021 and 2020

Table of Contents

BOWERS & COMPANY
CPAs PLLC
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

BOARD MEMBERS OF
PORT OF OSWEGO AUTHORITY

Report on the Financial Statements

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 years ended March 31, 2021 and 2020, 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.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021 and 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-9, Schedule of Changes in the Port's Total OPEB Liability and Related Ratios on page 41, Schedule of Proportionate Share of Net Pension Liability on page 42, and Schedule of Contributions NYSERS on page 43, be presented to supplement the basic financial statements. Such information, 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 28, 2021, 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 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2021

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, 2021, with selected comparative information for the year ended March 31, 2020. 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 $1,945,358 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 $514,072 for the year ending March 31, 2021. The increase is attributable primarily to grants receivable for the many capital projects that are in process.

- Total operating revenues of the Port decreased by $985,466 which is attributable to the loss of a customer, Perdue, that pulled out of NYS, as well as businesses that closed down during Covid-19 pandemic.

- Total operating expenses of the Port decreased by $324,244. The decrease is a result of Covid-19, which caused lower expenses due to less customer activity and delayed reopening of the marina.

- Operating loss of the Port increased by $661,222. The increase is directly related Covid-19 and the loss of Perdue as a customer.

- Capital contributions increased by $2,109,548 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, 2021

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:

	2021	2020	2019
Current Assets	$ 2,881,163	$ 2,243,082	$ 2,482,205
Property Held for Lease – Net	2,055,972	1,830,571	1,893,017
Capital Assets – Net	11,858,257	10,908,600	10,602,947
Total Assets	16,795,392	14,982,253	14,978,169
Deferred Outflows of Resources	1,112,145	455,133	646,178
Current Liabilities	935,805	576,111	207,209
Noncurrent Liabilities	4,514,754	3,909,162	3,537,412
Other Noncurrent Liabilities	2,804,664	2,076,721	1,873,928
Total Liabilities	8,255,223	6,561,994	5,618,549
Deferred Inflows of Resources	328,728	65,878	301,632
Net Position:			
Invested in Capital Assets, Net of Related Debt	9,533,741	8,658,114	8,940,563
Unrestricted	(210,155)	151,400	763,603
Total Net Position	$ 9,323,586	$ 8,809,514	$ 9,704,166

The total net position of the Port increased by 6 percent ($9,323,586 in 2021 compared to $8,809,514 in 2020). At year end, there were $1.4 million more in grants receivable, $519,477 less in CDS for rehab and $470,190 more in accounts payable that on March 31, 2020. These were due primarily to construction projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2021

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:

	2021	2020	2019
REVENUES			
Operating Revenue	$ 2,689,748	$ 3,675,214	$ 3,615,565
Nonoperating Revenue	(15,571)	24,031	3,045
Total Revenue	2,674,177	3,699,245	3,618,610
EXPENSES			
Operating Expenses	2,924,468	3,390,612	3,460,536
Other Operating Expenses – Depreciation	1,035,446	1,018,814	1,068,138
Other Operating Expenses – OPEB Expense	310,261	184,993	208,015
Total Expenses	4,270,175	4,594,419	4,736,689
Loss From Operating and Nonoperating	(1,595,998)	(895,174)	(1,118,079)
Capital Contributions	2,110,070	522	443,986
Change in Net Position	514,072	(894,652)	(674,093)
Net Position – Beginning of Year	8,809,514	9,704,166	10,378,259
Net Position – End of Year	$ 9,323,586	$ 8,809,514	$ 9,704,166

Total revenue decreased by 28 percent ($2,674,177 in 2021 compared to $3,699,245 in 2020). This decrease is attributable to the COVID-19 pandemic causing the shutdown of many businesses and reducing the through put of cargo, as well as, the loss of Perdue as a customer when they pulled out of NYS.

Total expenses decreased by 7 percent ($4,270,175 in 2021 compared to $4,594,419 in 2020). The decrease is a result of Covid-19, which caused lower expenses due to less customer activity and delayed reopening of the marina.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2021

Schedule of Long-Term Debt

	2021	2020	2019
New York State Retirement System	$ 12,790	$ 27,617	$ 42,443
Due to State of New York	3,505,926	3,505,926	3,555,926
Note Payable	361,534	394,654	0
PPP Loan	354,500	0	0
Less: Current Portion	(99,345)	(94,872)	(60,957)
Total	$ 4,135,405	$ 3,833,325	$ 3,537,412

At March 31, 2021 total long-term debt increased due to Paycheck Protection Program ("PPP") loan that was not yet forgiven.

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

	2021	2020	2019
Capital Assets	$ 11,858,257	$ 10,908,600	$ 10,602,947
Property Held For Leases	2,055,972	1,830,571	1,893,017
Total	$ 13,914,229	$ 12,739,171	$ 12,495,964

At March 31, 2021 total capital assets and property held for leases increased by 9 percent or $1,175,058 from 2020.

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, 2021

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 $985,466 is attributable to the Covid-19 pandemic causing the shutdown of many businesses and reducing the through put of cargo, as well as, the loss of Perdue as a customer when they pulled out of NYS.

Total operating expenses of the Port decreased by $324,244. The decrease is a result of Covid-19, which caused lower expenses due to less customer activity and delayed reopening of the marina.

Capital contributions increased by $2,109,548 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. Due to the pandemic, relief was requested for the annual payment to New York State on the fifth supplemental agreement.

The Port successfully negotiated a new Sprague/WT Terminal Oswego lease that better addressed accurately the current market value of the facility and increases revenue in future years.

Future Developments

Increase in Grain Export/Potash Storage

The Port is building a $15 million "CNY Regional Agriculture Export Center Expansion Project", with the remaining "Inland Port" monies. The Port has already secured a tenant for the facility going forwarded. Additionally, a new 150'x 150' dome is under construction to double potash storage at the Port.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2021

Future Developments – Continued

We have projected once built, the grain and potash revenue will be the below.

Year	Total Projected Increased Revenue
1	$0
2	$2,157,671
3	$2,470,113
4	$2,804,840
5	$3,163,651

REDI Awards

The Port was awarded over 2.3 million dollars from the New York State Resiliency & Economic Development Initiative (REDI) in 2019. The following projects have been completed:

- Repairs to the berm on the West side of the Oswego River
- Repairs to the North end of the East Operating dock
- Adding 12 additional docks to the Oswego Marina

The remaining funds are being utilized for the following projects that are underway:

- The construction of a new 25 slip Westside Marina
- Repair to a portion of the dock on the West Pier

Aluminum Pricing

After over three years of no increases in aluminum pricing the Port is in the process of creating a new pricing structure for both rail and ship. This year, the Port raised prices 1/2% - 3%.

Foreign Trade Zone ("FTZ")

The Port is in the final stage of establishing a FTZ.

US Army Corp 107 for Harbor Deepening

The Port has been approved by the Army Corp for the first stage to increase the harbor depth at the Port of Oswego. The Port applied for $300,000 matching funds from NYS DOT for the second stage and will sign a contract with Army Corp this fall, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2021

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.

STATEMENTS OF NET POSITION
March 31, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	$ 469,552	$ 657,584
Certificates of Deposit	86,949	92,887
Certificates of Deposit – Reserved for Marina Improvements	0	519,477
Accounts Receivable	52,188	146,744
Other Receivable	760,621	760,621
Grants Receivable	1,445,742	2,729
Prepaid Expenses	59,033	55,986
Inventory	7,078	7,054
Total Current Assets	2,881,163	2,243,082
NONCURRENT ASSETS		
Capital Assets – Net	11,858,257	10,908,600
Property Held for Leases – Net	2,055,972	1,830,571
Total Noncurrent Assets	13,914,229	12,739,171
Total Assets	16,795,392	14,982,253

DEFERRED OUTFLOWS OF RESOURCES

	2021	2020
OPEB	652,695	349,494
Pension	459,450	105,639
Total Deferred Outflows of Resources	1,112,145	455,133

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

LIABILITIES

	2021	2020
CURRENT LIABILITIES		
Accounts Payable	722,520	394,419
Accrued Payroll and Related Charges	36,038	39,389
Accrued Vacation	59,439	47,431
Current Portion of Deferred Payroll Taxes	18,463	0
Current Portion of Long-Term Debt	99,345	94,872
Total Current Liabilities	935,805	576,111
NONCURRENT LIABILITIES		
New York State Retirement System	12,790	27,617
Due to the State of New York	3,505,926	3,505,926
Postemployment Healthcare (OPEB) Liability	2,223,799	1,915,094
Net Pension Liability – Proportionate Share	580,865	161,627
Deferred Payroll Taxes	18,462	0
Line of Credit	275,000	0
Unearned Revenue	85,887	75,837
Note Payable	716,034	394,654
	7,418,763	6,080,755
Less: Current Portion	(99,345)	(94,872)
Total Noncurrent Liabilities	7,319,418	5,985,883
Total Liabilities	8,255,223	6,561,994
DEFERRED INFLOWS OF RESOURCES		
Pension	23,971	65,878
OPEB	304,757	0
Total Deferred Inflows of Resources	328,728	65,878
NET POSITION		
Net Investment in Capital Assets	9,533,741	8,658,114
Unrestricted	(210,155)	151,400
Total Net Position	$ 9,323,586	$ 8,809,514

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended March 31, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Rentals	$ 455,678	$ 789,249
Marina Operating Revenue	393,004	526,667
Port Operating Fees	1,841,066	2,359,298
Total Operating Revenues	2,689,748	3,675,214
OPERATING EXPENSES		
Salaries and Wages	1,081,790	1,258,542
Payroll Taxes and Fringe Benefits	296,120	291,927
Annual OPEB Expense	310,261	184,993
Employee Retirement and Pension Expense	284,676	414,242
Travel	10	8,537
Automotive	24,190	44,975
Office Supplies and Expense	47,977	42,025
Insurance	187,628	181,020
Advertising and Printing	3,552	8,275
Telephone and Postage	34,153	39,501
Utilities	57,798	67,665
Special Supplies and Expense	57,853	112,548
Community Support	0	10,250
Professional Fees	190,413	153,814
Repairs and Maintenance	115,100	103,251
Rentals	179,473	223,597
Contract Trucking	196,124	94,554
Technical Services	4,136	35,004
Marina Supplies and Expense	163,467	300,877
Bad Debt Expense	8	8
Depreciation	1,035,446	1,018,814
Total Operating Expenses	4,270,175	4,594,419
TOTAL OPERATING LOSS	(1,580,427)	(919,205)
NON OPERATING REVENUE		
Miscellaneous Income (Expense)	(15,571)	24,031
Total Nonoperating Revenue	(15,571)	24,031
LOSS FROM OPERATIONS AND NON OPERATING ITEMS	(1,595,998)	(895,174)
Capital Contributions	2,110,070	522
Change in Net Position	514,072	(894,652)
Net Position – Beginning of Year	8,809,514	9,704,166
Net Position – End of Year	$ 9,323,586	$ 8,809,514

STATEMENTS OF CASH FLOWS
Years Ended March 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 2,794,346	$ 3,738,660
Payments to Suppliers	(936,844)	(1,126,077)
Payments to Employees	(1,593,484)	(1,914,031)
Net Cash Provided By Operating Activities	264,018	698,552
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Contributions	667,057	412,892
Purchases of Capital Assets / Construction in Progress	(2,210,504)	(807,355)
Proceeds from Line of Credit	275,000	0
Proceeds from PPP Loan	354,500	0
Principal and Interest Paid on Note Payable	(53,999)	(49,000)
Principal Paid on Capital Debt	(14,827)	(64,826)
Net Cash Used In Capital and Related Financing Activities	(982,773)	(508,289)
CASH FLOWS FROM INVESTING ACTIVITIES		
Insurance Proceeds	0	22,408
Redemption of Certificates of Deposit	525,415	0
Purchase of Certificates of Deposit	0	(535,500)
Interest Earned	5,308	5,277
Net Cash Provided By (Used In) Investing Activities	530,723	(507,815)
Net Decrease in Cash and Cash Equivalents	(188,032)	(317,552)
Cash and Cash Equivalents – Beginning of Year	657,584	975,136
Cash and Cash Equivalents – End of Year	$ 469,552	$ 657,584
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (1,580,427)	$ (919,205)
Depreciation	1,035,446	1,018,814
Bad Debt Expense	8	8
(Increase) Decrease in Assets:		
Accounts Receivable	94,548	32,446
Prepaid Expenses	(3,047)	33
Inventory	(24)	(2,452)
Deferred Outflow of Resources, Pensions	(353,811)	65,818
Deferred Outflow of Resources, OPEB	(303,201)	125,227
Increase (Decrease) in Liabilities:		
Accounts Payable	328,101	302,235
Accrued Payroll and Related Charges	(3,351)	6,808
Accrued Vacation	12,008	25,944
OPEB Liability	308,705	119,175
Net Pension Liability - Proportionate Share	419,238	83,618
Deferred Inflow of Resources, Pensions	(41,907)	(190,917)
Deferred Inflow of Resources, OPEB	304,757	0
Deferred Payroll Taxes	36,925	0
Deferred Revenue	10,050	31,000
Net Cash Provided By Operating Activities	$ 264,018	$ 698,552

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020, the Port's bank balance was approximately $557,000 and $1,270,000, respectively, 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. An allowance for bad debts is not maintained. 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, 2021 and 2020

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, 2021 and 2020, the liability for accrued vacation leave was approximately $59,000 and $47,000, respectively.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Statements of Cash Flows

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

	2021	2020
Cash Payments:		
Interest	$ 20,879	$ 3,654

Supplemental disclosures of noncash investing and financing activities are as follows:

	2021	2020
Equipment Financed with a Note Payable	$ 0	$ 440,000

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 Agreement

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.

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 5 for additional information.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

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, 2021, the Port implemented, as applicable, the following new standard issued by GASB:

Statement No. 84, *Fiduciary Activities,* effective for the year ending March 31, 2021

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Future Changes in Accounting Standards

- Statement No. 87, *Leases*, effective for the year ended March 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending March 31, 2022.
- 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.

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, 2021 and 2020

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 particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

Impact of COVID-19 Pandemic on Financial Statements

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Port and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including but not limited to the duration, spread, severity, and impact of the outbreak, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Port's financial position and changes in net position and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Subsequent Events

The Port has evaluated events and transactions that occurred between March 31, 2021 and June 28, 2021 which is the date the financial statements were available to be issued. Management has determined such events have occurred, see Note 12 for a description of such events.

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 3.25%) plus one percentage point with a floor of 4.50%. The credit line will expire in April 2022. The outstanding balance on the line of credit for the years ended March 31, 2021 and 2020 is $275,000 and $0. Under this agreement, the Port is subject to various financial covenants. Management is not aware of any events of default.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 4 – LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2021 was as follows:

	Balance at 3/31/20	Additions	Payments	Balance at 3/31/21
Due State of New York	$ 3,505,926	$ 0	$ 0	$ 3,505,926
Due to NYSERS - Chapter 57	27,617	0	14,827	12,790
Equipment Loan	394,654	0	33,120	361,534
PPP Loan	0	354,500	0	354,500
Total Long-Term Debt	3,928,197	$ 354,500	$ 47,947	4,234,750
Less Amount Due Within One Year	(94,872)			(99,345)
	$ 3,833,325			$ 4,135,405

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 both the years ended March 31, 2021 and 2020, respectively. During March 31, 2021, 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, 2021 and 2020

NOTE 4 – 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 years ended March 31, 2021 and 2020 was approximately $13,000 and $28,000, respectively.

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 years ended March 31, 2021 and 2020 was approximately $362,000 and $395,000, respectively.

Paycheck Protection Program Loan

On May 8, 2020, the Port received loan proceeds in the amount of $354,500 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the 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.

The Company has recorded a note payable and will record forgiveness upon being legally released from the loan obligation. While Port intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period, no forgiveness income has been recorded for the year ended March 31, 2021.

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 2022. 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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 4 – LONG-TERM DEBT – Continued

Future Maturities

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

	Principal	Interest
2022	$ 99,345	$ 22,007
2023	452,531	19,668
2024	100,539	16,971
2025	103,390	14,120
2026	106,402	8,109
Thereafter	3,372,543	4,642
Total	$ 4,234,750	$ 85,517

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.

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.

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, 2021 and 2020

NOTE 5 – 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, 2021 and 2020

NOTE 5 – 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, 2021 and 2020

NOTE 5 – 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,	
2021	$ 97,439
2020	87,758
2019	102,338

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

At March 31, 2021, 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, 2020, 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, 2021, the Port reported the following:

Net Pension Liability	$ 580,865
Port's Proportion Percentage of Plan's Total Net Position Liability	0.0021936%
Pension Expense	$ 208,718
Change in Port's Proportion Since Last Measurement Date	0.0087600%

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 5 – PENSION PLAN – Continued

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

At March 31, 2021, the Port reported deferred outflows and inflows related to NYSERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 34,186	$ 0
Changes of Assumptions	11,696	10,099
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	297,780	0
Changes in Proportion and Differences Between the Port's Contributions and Proportionate Share of Contributions	18,349	13,872
Port's Contributions Subsequent to Measurement Date	97,439	0
Total	$ 459,450	$ 23,971

The Port recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020, which resulted in a reduction of the net pension liabilities as of March 31, 2021.

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

2021	$ 157,782
2022	83,890
2023	107,937
2024	85,870
	$ 435,479

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 5 – PENSION PLAN – Continued

Actuarial Assumptions

The total pension liability at March 31, 2020 was determined using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020.

Significant actuarial assumptions used in the valuations were as follows:

Cost of Living Adjustments	1.3%
Interest Rate	6.8%
Salary Increases	4.2%
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation Rate	2.5%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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.

NOTE 5 – PENSION PLAN – Continued

Actuarial Assumptions – Continued

Asset Type	
Domestic Equity	4.05%
International Equity	6.15%
Private Equity	6.75%
Real Estate	4.95%
Absolute Return Strategies	3.25%
Opportunistic Portfolio	4.65%
Real Assets	5.95%
Bonds and Mortgages	0.75%
Cash	0.00%
Inflation - Indexed Bonds	0.50%

Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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 6.80% 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 (5.80%) or 1% percent higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
Port's Proportionate Share of the Net Pension Liability (Asset)	$ 1,066,051	$ 580,865	$ 134,006

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

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, 2020
NYSERS's Total Pension Liability	$ (194,596,261)
Plan Net Position	168,115,682
NYSERS's Net Pension Liability	$ (26,480,579)
Ratio of Plan Net Position to the NYSERS's Total Pension Liability	86.39%

NOTE 6 – 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, 2021 is approximately $37,000.

Future maturities of deferred payroll taxes are as follows:

2022	$ 18,463
2023	18,462
Total	$ 36,925

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 7 – 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. For the years ended March 31, 2021 and 2020, approximately $598,000 and $0 has been utilized and earned by the Port. The revenue earned from the grant 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 is included as a recipient of funding under the Transportation Bond Act of 2005. The Port has been allocated $4,605,000 in state grant funds for the rehabilitation of the barrel building, railroad upgrades, replacement of garage roof and paving. The State agrees to reimburse the Port a specified percentage of eligible project costs in accordance with the grant agreement. As of March 31, 2021, a total of approximately $4,065,000 has been utilized by the Port with approximately $0 during both the years ended March 31, 2021 and 2020, respectively.

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, 2021 approximately $1,002,000 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, 2021, 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 $497,000. These grants are for capital improvements to docks and other waterfront structures. During the year ended March 31, 2021 approximately $465,000 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, 2021 and 2020

NOTE 8 – 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 years ended March 31, 2021 and 2020, under these agreements was approximately $332,000 and $647,000, respectively.

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

	2021	2020
Land and Land Improvements	$ 252,419	$ 87,314
Buildings and Improvements	3,953,399	3,794,281
Accumulated Depreciaition	(2,149,846)	(2,051,024)
Total	$ 2,055,972	$ 1,830,571

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

2022	$ 215,000
2023	175,000
2024	177,000
2025	189,000
2026	193,000
Thereafter	721,000
Total	$ 1,670,000

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 9 – 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, 2021 and 2020

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

Total OPEB Liability

The Port has obtained an actuarial valuation report as of March 31, 2021 which indicates that the total liability of other postemployment benefits is $2,223,799 which is reflected in the Statement of Net Position. The OPEB liability was measured as of March 31, 2021 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	3/31/2021
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).

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Changes in Total OPEB Liability

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

	2021	2020
Net OPEB Liability - Beginning of Year	$ 1,915,094	$ 1,795,919
Service Cost	225,530	97,684
Interest On Net OPEB Liability	47,306	67,199
Difference Between Actual and Expected Experience	(360,778)	0
Changes in Assumptions	436,853	0
Contributions Made	(40,206)	(45,708)
Net OPEB Liability - End of Year	$ 2,223,799	$ 1,915,094

Changes of assumptions and other inputs reflect a change in the discount rate from 3.79 percent to 2.40 percent.

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	$ 2,675,245	$ 2,223,799	$ 1,862,905

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 9 – 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	$ 1,809,169	$ 2,223,799	$ 2,762,748

Deferred Outflow of Resources

At March 31, 2021, 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	$ 45,050	$ 304,757
Changes of Assumptions or Other Inputs	607,645	0
Total	$ 652,695	$ 304,757

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 9 – 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:

2022	$ 77,631
2023	77,631
2024	77,631
2025	98,035
2026	11,813
Thereafter	5,197
Total	$ 347,938

NOTE 10 – OPERATING LEASES – LESSEE

The Port leases equipment and vehicles under operating lease agreements expiring various years through 2025. Rent expense incurred for the years ended March 31, 2021 and 2020 under these agreements amounted to approximately $160,000 and $192,000, respectively.

Minimum future rental payments under the preceding non-cancellable operating leases, as of March 31, 2021, are as follows:

2022	$ 101,000
2023	97,000
2024	83,000
2025	36,000
Total	$ 317,000

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 11 – 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

NOTE 12 – SUBSEQUENT EVENT

On April 27, 2021, the Port received loan proceeds in the amount of $374,895 under the PPP Round 2. The 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" ranging from 8 to 24 weeks, as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities and other qualified expenses. 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 five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Port intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 13 – SCHEDULE OF CHANGES IN CAPITAL ASSETS AND PROPERTY HELD FOR LEASES AND ACCUMULATED DEPRECIATION - YEAR ENDED MARCH 31, 2021

	Capital Assets				Accumulated Depreciation				
	Balance 4/1/2020	Additions	Retirements	Balance 3/31/21	Balance 4/1/2020	Additions	Retirements	Balance 3/31/21	Depreciable Cost
Capital Assets:									
Construction Work in Progress	$ 729,564	$ 1,052,434	$ (303,290)	$ 1,478,708	$ 0	$ 0	$ 0	$ 0	$ 1,478,708
Land and Land Improvements	13,225,654	849,174	0	14,074,828	6,344,990	535,651	0	6,880,641	7,194,187
Buildings and Improvements	8,453,759	12,963	0	8,466,722	6,144,318	192,955	0	6,337,273	2,129,449
Equipment and Software	3,654,000	275,000	0	3,929,000	2,665,069	208,018	0	2,873,087	1,055,913
Total	$ 26,062,977	$ 2,189,571	$ (303,290)	$ 27,949,258	$ 15,154,377	$ 936,624	$ 0	$ 16,091,001	$ 11,858,257
Property Held for Leases:									
Land and Land Improvements	$ 87,314	$ 0	$ 0	$ 87,314	30,823	$ 3,201	$ 0	$ 34,024	$ 53,290
Buildings and Improvements	3,794,281	324,223	0	4,118,504	2,020,201	95,621	0	2,115,822	2,002,682
	$ 3,881,595	$ 324,223	$ 0	$ 4,205,818	$ 2,051,024	$ 98,822	$ 0	$ 2,149,846	$ 2,055,972

SCHEDULE OF CHANGES IN THE PORT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended March 31, 2021

	2021	2020	2019
Total OPEB Liability			
Service Cost	$ 225,530	$ 97,684	$ 91,803
Interest	47,306	67,199	63,473
Changes in Assumptions or Other Imputs	436,853	0	30,960
Difference Between Actual and Expected Experience	(360,778)	0	0
Benefit Payments	(40,206)	(45,708)	(44,039)
Net Change in total OPEB Liability	308,705	119,175	142,197
Total OPEB Liability - Beginning	1,915,094	1,795,919	1,653,722
Total OPEB Liability - Ending	$ 2,223,799	$ 1,915,094	$ 1,795,919
Covered Payroll	$ 667,095	$ 525,721	$ 606,297
Total OPEB as a Percentage of Covered Payroll	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
Years Ended March 31, 2021 and 2020

Employees' Retirement System (ERS)	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Port's Proportion of the Net Pension Liability	0.0021936%	0.0022812%	0.0024170%	0.0026479%	0.0022628%	0.0018750%
Port's Proportionate Share of the Net Pension Liability	$ 580,865	$ 161,627	$ 78,009	$ 248,799	$ 363,180	$ 62,585
Port's Covered Payroll	$ 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	80.0%	24.5%	10.7%	33.2%	48.2%	9.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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
Years Ended March 31, 2021 and 2020

Employees' Retirement System (ERS)	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 97,439	$ 87,758	$ 102,338	$ 105,713	$ 109,566	$ 110,075
Contributions in Relation to the Contractually Required Contribution	97,439	87,758	102,338	105,713	109,566	110,075
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Port's Covered Employee Payroll	$ 725,946	$ 658,487	$ 726,573	$ 749,718	$ 753,140	$ 638,429
Contributions as a Percentage of Covered Employee Payroll	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.