PORT OF OSWEGO AUTHORITY

FINANCIAL STATEMENTS

March 31, 2023

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BOWERS & COMPANY
CPAs PLLC
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

BOARD MEMBERS OF
PORT OF OSWEGO AUTHORITY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Port of Oswego Authority, a component unit of the State of New York, as of and for the year ended March 31, 2023, 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, 2023, 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.

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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 5-10, Schedule of Changes in the Port's Total OPEB Liability and Related Ratios on page 43, Schedule of Proportionate Share of Net Pension Liability – NYSERS on page 44, and Schedule of Contributions – NYSERS on page 45, 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 financial statements and 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*, are 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 financial statements and the schedule of expenditures of federal awards are 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 June 26, 2023, 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 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2023

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, 2023, with selected comparative information for the year ended March 31, 2022. 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 $2,139,388. 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 $1,577,800 for the year ending March 31, 2023. The increase is attributable to two large windmill projects and grants receivable for the many capital projects that are in process.

- Total operating revenues of the Port increased by $4,759,655 which is attributable to new aluminum traffic (25-26 ton ingots), grain ship/rail cars, and project cargo.

- Total operating expenses of the Port increased by $2,560,216. The increase is a result of increased health insurance rates, increased labor due to additional business and increased vessel costs associated with increased shipping.

- Operating income of the Port increased by $2,199,449. The increase is predominantly due to profit sharing revenue on cargo projects as well as more traffic through the Port including grain.

- Capital contributions decreased by $14,450,370 which is attributable to completed and ongoing construction projects that were funded by FEMA, NYS REDI, and NYS DOT in the prior year and some that will be funded in the following year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2023

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:

	2023	2022
Current Assets	$ 2,795,762	$ 2,741,023
Property Held for Lease – Net	3,128,251	3,130,190
Long-term Lease Receivable	1,098,913	1,410,617
Net Pension Asset – Proportionate Share	187,532	-
Capital Assets – Net	25,598,971	25,164,552
Total Assets	32,809,429	32,446,382
Deferred Outflows of Resources	839,452	1,078,429
Current Liabilities	656,374	1,362,116
Noncurrent Liabilities	3,853,064	4,350,320
Other Noncurrent Liabilities	1,559,497	2,468,591
Total Liabilities	6,068,935	8,181,027
Deferred Inflows of Resources	2,953,210	2,294,848
Net Position:		
Invested in Capital Assets,		
Net of Related Debt	24,470,586	23,260,003
Unrestricted	156,150	(211,067)
Total Net Position	$ 24,626,736	$ 23,048,936

The total net position of the Port increased by 7 percent ($24,626,736 in 2023 compared to $23,048,936 in 2022). This is due to securing a number of large projects (heavy lift and windmill) and ongoing grant construction projects and increased ship traffic through the Port.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2023

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:

	2023	2022
REVENUES		
Operating Revenue	$ 7,506,787	$ 2,747,122
Nonoperating Revenue (Expense)	(390,292)	282,249
Total Revenue	7,116,495	3,029,371
EXPENSES		
Operating Expenses	5,754,879	3,102,142
Other Operating Expenses – Depreciation	1,289,950	1,116,214
Other Operating Expenses – OPEB Expense	62,380	320,280
Total Expenses	7,107,209	4,538,636
Income (Loss) From Operating and Nonoperating Items	9,286	(1,509,265)
Capital Contributions	1,568,514	15,234,615
Change in Net Position	1,577,800	13,725,350
Net Position – Beginning of Year	23,048,936	9,323,586
Net Position – End of Year	$ 24,626,736	$ 23,048,936

Total operating revenues of the Port increased by $4,759,665 which is attributable to a sizeable business increase in aluminum, rail, grain, truck and project cargo.

Total expenses increased by 56 percent to $7,107,209 in 2023 compared to $4,538,636 in 2022). This increase directly related to a business increase realized by the Port.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2023

Schedule of Long-Term Debt

	2023	2022
New York State Retirement System	$ 10,289	$ 1,729
Due to State of New York	3,455,926	3,505,926
Note Payable	281,036	324,789
PPP Loan	-	374,895
Lease Liability	296,404	326,449
Less: Current Portion	(267,853)	(255,630)
Total	$ 3,775,802	$ 4,278,158

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

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

Schedule of Capital Assets and Property Held for Lease

	2023	2022
Capital Assets	$ 25,598,971	$ 25,164,552
Property Held For Leases	3,128,251	3,130,190
Total	$ 28,727,222	$ 28,294,742

At March 31, 2023 total capital assets and property held for leases increased by 2 percent or $432,480 from 2022 due to an ongoing grant funded project and the addition of leased assets per a new GASB Statement No. 87.

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, 2023

Management Discussion – Continued

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

Fiscal Year Overview

The Port's overall increase in operating revenue of $4,759,665 is attributable to a growth in aluminum business, project cargo and grain. The port had a successful grain season with three ships loaded by the CNY Export center to foreign markets.

In addition, the Port obtained two windmill projects, three grain ships and received two aluminum ships from Brazil. Also, the port stored and trans-loaded a significant number of 25-26 ton aluminum ingots for the local aluminum plant in Oswego.

Total operating expenses increased by 56 percent, $2,569,573. The Port realized a business increase which is directly related to operating expenses to produce the revenue. These included the normal ship expenses associated with operating ship cargo as well as interest expense to finance projects, increased health insurance rates, increased labor due to additional business and increased utility and fuel rates.

Future Developments

New Marina and finish Building 4

The Port is building a $2.1 million marina on the west pier. This will be brought into operation in the summer of 2023. Additionally, a new 150'x 150' dome is under construction to double potash storage at the Port. This building has been delayed due to the city of Oswego's lawsuit.

Grain

With the completion of the grain silo, the Port has seen an increase in both ship and rail traffic. The Port loaded the first grain ship from the Great Lakes in 2022 and is continuing to show strong interest from local farmers in bringing product to the Port. We have submitted an EDA grant application, $4.5 million, to expand both the rail connections, including an addition line, to the grain silo and increase loading with a new, faster conveyor system in 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended March 31, 2023

Future Developments – Continued

REDI Awards

The Port is scheduled to finish the Goble Marina in 2023. Additional funds were secured to finish the marina when, due to Covid, bids were higher than the budget. The present scope will include upgraded bathroom facilities, a pavilion and docks with water and electricity.

Foreign Trade Zone (“FTZ”)

The Port has opened our FTZ this year. We are currently marketing it to various businesses.

US Army Corp 107 for Harbor Deepening

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

US DOT Marine Highway

The port was awarded $754,000 (not under contract as yet) to purchase a container mover by the US Department of Transportation, Marine Highway. At present we are working on the purchase of the equipment. This is a part of an ongoing project to create a “short sea” shipping lane between Detroit and Oswego for containers. US DOT is funding a study on the feasibility of creating this shipping lane.

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, 2023

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	1,466,128
Certificates of Deposit		88,239
Accounts Receivable		227,809
Interest Receivable		2,496
Lease Receivable		153,980
Grants Receivable		748,868
Prepaid Expenses		90,305
Inventory		17,937
Total Current Assets		2,795,762
NONCURRENT ASSETS		
Capital Assets – Net		25,598,971
Long-term Lease Receivable		1,098,913
Net Pension Asset – Proportionate Share		187,532
Property Held for Leases – Net		3,128,251
Total Noncurrent Assets		30,013,667
Total Assets	$	32,809,429

DEFERRED OUTFLOWS OF RESOURCES

OPEB	$	385,391
Pension		454,061
Total Deferred Outflows of Resources	$	839,452

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable	$	221,782
Accrued Payroll and Related Charges		56,113
Accrued Vacation		58,468
Retainage Payable		52,158
Current Portion of Lease Liability		160,822
Current Portion of Long-Term Debt		107,031
Total Current Liabilities		656,374
NONCURRENT LIABILITIES		
New York State Retirement System		10,289
Due to the State of New York		3,455,926
Postemployment Healthcare (OPEB) Liability		1,559,497
Unearned Revenue		77,262
Lease Liability		296,404
Note Payable		281,036
		5,680,414
Less: Current Portion		(267,853)
Total Noncurrent Liabilities		5,412,561
Total Liabilities	$	6,068,935

DEFERRED INFLOWS OF RESOURCES

Pension	$	644,256
OPEB		1,084,415
Leases		1,224,539
Total Deferred Inflows of Resources	$	2,953,210

NET POSITION

Net Investment in Capital Assets	$	24,470,586
Unrestricted		156,150
Total Net Position	$	24,626,736

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2023

OPERATING REVENUES		
Rentals	$	614,743
Marina Operating Revenue		837,815
Profit Sharing Revenue		1,721,940
Port Operating Fees		4,332,289
Total Operating Revenues		7,506,787
OPERATING EXPENSES		
Salaries and Wages		2,056,232
Payroll Taxes and Fringe Benefits		379,841
Annual OPEB Expense		62,380
Employee Retirement and Pension Expense		674,480
Travel		11,936
Automotive		73,044
Office Supplies and Expense		57,498
Insurance		302,533
Advertising and Printing		41,255
Telephone and Postage		26,214
Utilities		99,910
Special Supplies and Expense		456,038
Professional Fees		463,427
Repairs and Maintenance		309,634
Rentals		134,223
Lease Interest Expense		8,357
Contract Trucking		5,495
Technical Services		42,266
Marina Supplies and Expense		546,792
Profit Sharing Expense		65,704
Depreciation and Amortization Expense		1,289,950
Total Operating Expenses		7,107,209
TOTAL OPERATING INCOME		399,578
NON OPERATING REVENUE (EXPENSE)		
Interest Expense		(42,598)
Miscellaneous Expense		(784,269)
Miscellaneous Income		436,575
Total Nonoperating Revenue (Expense)		(390,292)
INCOME FROM OPERATIONS AND NON OPERATING ITEMS		9,286
Capital Contributions		1,568,514
Change in Net Position		1,577,800
Net Position – Beginning of Year		23,048,936
Net Position – End of Year	$	24,626,736

STATEMENT OF CASH FLOWS
Year Ended March 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 7,629,316
Payments to Suppliers	(3,081,223)
Payments to Employees	(3,117,106)
Net Cash Provided By Operating Activities	1,430,987
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Contributions	2,024,104
Purchases of Capital Assets / Construction in Progress	(1,897,052)
Payments to NYS	(50,000)
Proceeds from Line of Credit	994,157
Principal and Interest Paid on Line of Credit	(1,006,913)
Proceeds from Revenue Anticipation Note	157,763
Payments on Revenue Anticipation Note	(564,294)
Interest Paid on Revenue Anticipation Note	(1,944)
Principal and Interest Paid on Note Payable	(59,134)
Principal and Interest Paid on Capital Debt	(10,199)
Net Cash Used In Capital and Related Financing Activities	(413,512)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Earned	30,012
Net Cash Provided By Investing Activities	30,012
Net Increase in Cash and Cash Equivalents	1,047,487
Cash and Cash Equivalents – Beginning of Year	418,641
Cash and Cash Equivalents – End of Year	$ 1,466,128
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 399,578
Depreciation and Amortization	1,289,950
Dividends Reinvested	(683)
(Increase) Decrease in Assets:	
Accounts Receivable	(40,579)
Interest Receivable	284
Lease Receivable	157,724
Prepaid Expenses	(16,959)
Inventory	(8,766)
Net Pension Asset - Proportionate Share	(187,532)
Deferred Outflow of Resources, Pensions	105,325
Deferred Outflow of Resources, OPEB	133,652
Increase (Decrease) in Liabilities:	
Accounts Payable	(218,156)
Accrued Payroll and Related Charges	3,447
Accrued Vacation	5,118
Lease Liability	156,059
Retainage Payable	(82,429)
OPEB Liability	(906,951)
Net Pension Liability - Proportionate Share	(2,143)
Deferred Inflow of Resources, Leases	(186,078)
Deferred Inflow of Resources, Pensions	8,761
Deferred Inflow of Resources, OPEB	835,679
Deferred Payroll Taxes	(19,414)
Unearned Revenue	5,100
Net Cash Provided By Operating Activities	$ 1,430,987

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

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, 2023

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, 2023, the Port's bank balance was approximately $1,554,000, and all deposits were insured or collateralized.

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

Receivables

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

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

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.

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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2023, the liability for accrued vacation leave was approximately $58,000.

Statement of Cash Flows

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

	2023
Cash Payments:	
Interest	$ 42,598

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

	2023
Lease Asset in Exchange for Lease Liability	$ 452,463
Lease Receivable in Exchange for Deferred Inflow	$ 1,410,617

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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2023 with an extension in progress.

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 7 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 falls into this category. This represents the effect of the net changes of assumptions or other inputs.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

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, 2023, the Port implemented, as applicable, the following new standard issued by GASB:

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

Future Accounting Standards

- GASB has issued Statement No. 99, *Omnibus 2022*, effective for the year ended March 31, 2024.
- GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended March 31, 2025.
- GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended March 31, 2025.

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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position – Continued

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 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, 2023 and June 26, 2023 which is the date the financial statements were available to be issued. Management has determined such events have occurred; see Note 13 for a description of such events.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended March 31, 2023, the Port implemented GASB Statement No. 87, *Leases*. The implementation of the statement establishes a single lease model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation has no effect on the opening balance of net position.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 4 – 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 8.00%) plus one percentage point with a floor of 4.50%. The credit line expires in April 2024. The outstanding balance on the line of credit for the year ended March 31, 2023 is $0. 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 8.00%) minus one percentage point with a floor of 3.25%. The credit line expires in July 2024. The outstanding balance on the line of credit for the year ended March 31, 2023 is $0. Under this agreement, the Port is subject to various financial covenants. Management is not aware of any events of default.

NOTE 5 – REVENUE ANTICIPATION NOTE

The Port may issue Revenue Anticipation Notes ("RAN") in anticipation of the receipt of revenues. RANs are recorded as a liability until repaid. The outstanding balance on RANs for the year ended March 31, 2023 is $0.

	Interest Rate	Maturity Date	3/31/2022	Additions	Payments	3/31/2023
RAN	7.0%	7/11/2023	$406,531	$ 157,763	$ (564,294)	$ -

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 6 – LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2023 was as follows:

	Balance at 3/31/22	Additions	Payments / Forgiveness	Balance at 3/31/23
Due State of New York	$ 3,505,926	$ -	$ 50,000	$ 3,455,926
Due to NYSERS - Chapter 57	1,729	19,369	10,809	10,289
Equipment Loan	324,789	-	43,753	281,036
PPP Loan Round 2	374,895	-	374,895	-
Lease Liability, As Restated	326,450	126,014	156,060	296,404
Total Long-Term Debt	4,533,789	$ 145,383	$ 635,517	4,043,655
Less Amount Due Within One Year	(255,630)			(267,853)
	$ 4,278,159			$ 3,775,802

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 $3,456,000 for the year ended March 31, 2023.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 6 – LONG-TERM DEBT – Continued

Due to NYSERS – Chapter 57

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years. This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the employer opts to participate in the program. The total unpaid liability for the year ended March 31, 2023 was approximately $10,000.

Equipment Loan

During 2020 the Port financed a piece of equipment for $440,000. There was a $40,000 payment due upfront followed by monthly payments of $4,500 for 24 months, followed by approximately $5,400 for 60 months with the remainder due in March 2027 with an interest rate of 5.50%. The note is secured by equipment. The balance of the note for the year ended March 31, 2023 was approximately $281,000.

Paycheck Protection Program Loan

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

On April 29, 2021, the Port received loan proceeds in the amount of $374,895 under the PPP Round 2. The Organization used the PPP loan proceeds for purposes consistent with the PPP, applied for forgiveness within the 10 months after the end of the covered period, and the loan was subsequently forgiven and the Organization recognized $374,895 of loan forgiveness income during the year ended March 31, 2023 and is included in miscellaneous income.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 6 – LONG-TERM DEBT – Continued

Future Maturities

Annual principal and interest payments of long-term debt (see note 12 for lease liability) are as follows:

	Principal	Interest
2024	$ 107,031	$ 17,201
2025	106,714	14,363
2026	106,145	8,366
2027	171,435	5,199
2028	50,000	0
Thereafter	3,205,926	0
Total	$ 3,747,251	$ 45,129

NOTE 7 – 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, 2023

NOTE 7 – 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, 2023

NOTE 7 – 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 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.

NOTE 7 – 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.

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, 2023

NOTE 7 – 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 required contributions for the current year and the two preceding years are as follows:

Years Ending March 31,	
2023	$ 92,621
2022	122,376
2021	97,439

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

At March 31, 2023, the Port reported a net pension liability for its proportionate share of NYSERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of that date. The Port's proportion of the net pension assets 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, 2023, the Port reported the following:

Net Pension Asset	$ 187,532
Port's Proportion Percentage of Plan's Total Net Position Asset	0.0022941%
Pension Expense	$ 16,037
Change in Port's Proportion Since Last Measurement Date	0.0001421%

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 7 – PENSION PLAN – Continued

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

At March 31, 2023, the Port reported deferred outflows and inflows related to NYSERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 14,202	$ 18,421
Changes of Assumptions	312,969	5,281
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	614,088
Changes in Proportion and Differences Between the Port's Contributions and Proportionate Share of Contributions	34,269	6,466
Port's Contributions Subsequent to Measurement Date	92,621	0
Total	$ 454,061	$ 644,256

The Port recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022, which resulted in a reduction of the net pension liabilities as of March 31, 2023.

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

2023	$ (39,911)
2024	(62,933)
2025	(152,772)
2026	(27,200)
	$ (282,816)

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 7 – PENSION PLAN – Continued

Actuarial Assumptions

The total pension asset at March 31, 2022 was determined using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2022.

Significant actuarial assumptions used in the valuations were as follows:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 7 – PENSION PLAN – Continued

Actuarial Assumptions – Continued

Asset Type	
Domestic Equity	3.30%
International Equity	5.85%
Private Equity	6.50%
Real Estate	5.00%
Opportunistic Portfolio	4.10%
Credit	3.78%
Real Assets	5.58%
Cash	-1.00%

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)	$ 482,705	$ (187,532)	$ (748,152)

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 7 – PENSION PLAN – Continued

Pension Plan Fiduciary Net Position

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

Measurement Date	March 31, 2022
NYSERS's Total Pension Asset	$ (223,874,888)
Plan Net Position	232,049,473
NYSERS's Net Pension Asset	$ 8,174,585
Ratio of Plan Net Position to the NYSERS's Total Pension Asset	103.65%

NOTE 8 – 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 $992,000 is recorded in capital grants and contribution line on the Statements of Revenues, Expenses and Changes in Net Position. As of March 31, 2023, a total of approximately $1,585,000 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. As of March 31, 2023, a total of approximately $773,000 has been utilized by the Port.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 8 – CAPITAL CONTRIBUTIONS – Continued

New York State Grants – Continued

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, 2023 approximately $310,000 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, 2023, a total of approximately $13,784,000 has been utilized by the Port.

NOTE 9 – LEASE RECEIVABLE

The Port is the lessor of various properties under operating leases expiring in various years through the year 2030. 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 $217,746.

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

	2023
Land and Land Improvements	$ 247,870
Buildings and Improvements	5,308,750
Accumulated Depreciation	(2,428,369)
Total	$ 3,128,251

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 9 – LEASE RECEIVABLE – Continued

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

	Principal	Interest
2024	$ 153,979	$ 28,215
2025	149,902	24,653
2026	157,474	20,968
2027	163,232	17,142
2028	169,178	13,176
Thereafter	459,128	18,873
Total	$ 1,252,893	$ 123,027

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS

General Information

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

General Information – Continued

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

Total OPEB Liability

The Port has obtained an actuarial valuation report as of March 31, 2023 which indicates that the total liability of other postemployment benefits is $1,559,497 which is reflected in the Statement of Net Position. The OPEB liability was measured as of March 31, 2023 and was determined by an actuarial valuation as of April 1, 2022.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2022 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	3/31/2023
Rate of Compensation Increase	3.50%
Inflation Rate	4.54%
Discount Rate	3.50%
Assumed Health Care Trend Rate at March 31	
Health Care Trend Rate Assumed for Next Fiscal Year	
Pre 65 years old	7.74%
Post 65 years old	0.25%
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	2023
Additional Information	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (Years)	7.31
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, 2023.

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

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 10 – 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:

	2023
Net OPEB Liability - Beginning of Year	$ 2,466,448
Service Cost	97,172
Plan Change	43,482
Interest	53,743
Assumption Changes	(684,744)
Differences Between Actual and Expected Experience	(357,074)
Contributions Made	(59,530)
Net OPEB Liability - End of Year	$ 1,559,497

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 (3.50%):

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	$ 1,817,289	$ 1,559,497	$ 1,351,237

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 (8.74% decreasing to 6.74%):

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 1,317,461	$ 1,559,497	$ 1,869,845

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS –
Continued

Deferred Outflows and Inflows of Resources

At March 31, 2023, 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	$ 24,145	$ 498,337
Changes of Assumptions or Other Inputs	361,246	586,078
Total	$ 385,391	$ 1,084,415

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

2024	$ (72,487)
2025	(72,487)
2026	(117,901)
2027	(144,921)
2028	(150,118)
Thereafter	(141,110)
Total	$ (699,024)

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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 12 – 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, 2023 are as follows:

Vehicle	$ 3,091
Equipment	155,464
Total Amortization Expense	158,555
Interest on Lease Liabilities	8,357
Total	$ 166,912

Other information related to leases for the year ended March 31, 2023 is as follows:

Description	Interest Rate	Issue Date	Final Maturity	Balance
Equinox	2.71%	5/31/2022	4/30/2025	$ 7,112
Avaya Yealink T Series	4.36%	11/3/2022	10/31/2027	106,785
Leaf Kyocera	2.55%	9/28/2021	12/31/2026	6,731
Thompson & Johnson Forklifts	1.72%	3/1/2017	6/30/2023	3,578
Wells Fargo Doosan Loader	2.44%	5/9/2019	4/30/2024	56,394
Trackmobile Hercules	2.61%	12/30/2019	12/31/2024	52,454
TNE Forklift	2.55%	6/1/2021	5/31/2026	20,787
TNE 6 Forklifts	2.44%	4/1/2021	3/31/2024	42,563
				$ 296,404

	April 1, 2022	Additions	Reductions	March 31, 2023
Lease Liability	$ 326,450	$ 123,868	$ 153,914	$ 296,404

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 12 – LEASE LIABILITY – Continued

Future minimum lease payments as of March 31, 2023 are as follows:

	Principal	Interest	Total
2024	$ 160,822	$ 7,375	$ 168,197
2025	61,421	3,986	65,407
2026	32,307	2,456	34,763
2027	27,052	1,247	28,299
2028	14,802	216	15,018
Total	$ 296,404	$ 15,280	$ 311,684

NOTE 13 – SUBSEQUENT EVENT

During April 2023, the Port sold a Liebherr crane for $265,000 and subsequently paid off the related debt.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 14 – SCHEDULE OF CHANGES IN CAPITAL ASSETS AND PROPERTY HELD FOR LEASES AND ACCUMULATED DEPRECIATION - YEAR ENDED MARCH 31, 2023

	Capital Assets				Accumulated Depreciation				
	Balance 4/1/2022	Additions	Retirements	Balance 3/31/2023	Balance 4/1/2022	Additions	Retirements	Balance 3/31/2023	Depreciable Cost
Capital Assets:									
Construction Work in Progress	$ 15,447,499	$ 1,639,115	$ (300,637)	$ 16,785,977	$ -	$ -	$ -	$ -	$ 16,785,977
Land and Land Improvements	14,074,828	-	-	14,074,828	7,468,047	580,869	-	8,048,916	6,025,912
Buildings and Improvements	8,469,553	47,109	-	8,516,662	6,529,749	192,421	-	6,722,170	1,794,492
Equipment and Software	3,944,683	43,000	-	3,987,683	3,100,664	188,337	-	3,289,001	698,682
Intangible Lease Assets, As Restated	326,449	126,014	-	452,463	-	158,555	-	158,555	293,908
Total	$ 42,263,012	$ 1,855,238	$ (300,637)	$ 43,817,613	$ 17,098,460	$ 1,120,182	$ -	$ 18,218,642	$ 25,598,971
Property Held for Leases:									
Land and Land Improvements	$ 87,314	$ 160,556	$ -	$ 247,870	$ 37,174	$ 3,150	$ -	$ 40,324	$ 207,546
Buildings and Improvements	5,301,478	7,272	-	5,308,750	2,221,428	166,617	-	2,388,045	2,920,705
	$ 5,388,792	$ 167,828	$ -	$ 5,556,620	$ 2,258,602	$ 169,767	$ -	$ 2,428,369	$ 3,128,251

SCHEDULE OF CHANGES IN THE PORT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended March 31, 2023

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service Cost	$ 97,172	$ 230,943	$ 225,530	$ 97,684	$ 91,803
Plan Change	43,482	-	-	-	-
Interest	53,743	52,877	47,306	67,199	63,473
Changes in Assumptions or Other Inputs	(684,744)	-	436,853	-	30,960
Difference Between Actual and Expected Experience	(357,074)	-	(360,778)	-	-
Benefit Payments	(59,530)	(41,171)	(40,206)	(45,708)	(44,039)
Net Change in total OPEB Liability	(906,951.00)	242,649	308,705	119,175	142,197
Total OPEB Liability - Beginning	2,466,448	2,223,799	1,915,094	1,795,919	1,653,722
Total OPEB Liability - Ending	$ 1,559,497	$ 2,466,448	$ 2,223,799	$ 1,915,094	$ 1,795,919
Covered Payroll	$ 789,512	$ 687,108	$ 667,095	$ 525,721	$ 606,297
Total OPEB as a Percentage of Covered Payroll	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 3.50%.

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 (ASSET) – NYSERS

Year Ended March 31, 2023

Employees' Retirement System (ERS)	2023	2022	2021	2020	2019	2018	2017	2016
Port's Proportion of the Net Pension Liability (Asset)	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	$ (187,532)	$ 2,143	$ 580,865	$ 161,627	$ 78,009	$ 248,799	$ 363,180	$ 62,585
Port's Covered Payroll	$ 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	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)	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

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

SCHEDULE OF CONTRIBUTIONS – NYSERS
Year Ended March 31, 2023

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

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