

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 5 — PROPERTY AND EQUIPMENT

At December 31, 2015 property and equipment is comprised of the following:

	<u>December 31 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2015</u>
Port marine facilities	\$ 94,102,530	\$ 3,460,029	\$ 578,516	\$ 96,984,043
Transportation, equipment and furniture	994,552	325,960	18,871	1,301,641
Construction in process	347,692	468,808	441,692	374,808
Total	95,444,774	4,254,797	1,039,079	98,660,492
Less accumulated depreciation	52,543,106	1,948,358	597,387	53,894,077
Net property and equipment	<u>\$ 42,901,668</u>	<u>\$ 2,306,439</u>	<u>\$ 441,692</u>	<u>\$ 44,766,415</u>

At December 31, 2014 property and equipment is comprised of the following:

	<u>December 31 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2014</u>
Port marine facilities	\$ 78,874,932	\$ 15,385,507	\$ 157,909	\$ 94,102,530
Transportation, equipment and furniture	967,651	26,901	-	994,552
Construction in process	6,861,081	347,692	6,861,081	347,692
Total	86,703,664	15,760,100	7,018,990	95,444,774
Less accumulated depreciation	51,055,739	1,487,367	-	52,543,106
Net property and equipment	<u>\$ 35,647,925</u>	<u>\$ 14,272,733</u>	<u>\$ 7,018,990</u>	<u>\$ 42,901,668</u>

Depreciation expense was \$1,948,358 and \$1,487,367 for the years ended December 31, 2015 and 2014, respectively.

NOTE 6 — LONG-TERM DEBT

Long-term debt is comprised of the following:

	<u>December 31 2014</u>	<u>Debt Issued</u>	<u>Debt Payments</u>	<u>December 31 2015</u>
Bank of America lease obligation	\$ 2,990,586	\$ -	\$ 433,844	\$ 2,556,742
Less current maturities	433,844			443,087
	<u>\$ 2,556,742</u>			<u>\$ 2,113,655</u>

The Commission is obligated under a June 2014 master lease financing agreement with Bank of America in the original amount of \$3,000,000. Funds under the financing agreement were primarily utilized to retire another Commission obligation and to acquire certain Port related facility equipment. The agreement requires monthly payments, beginning in December 2014, of approximately \$41,000, including interest at approximately 2.1%, with final maturity in June 2021. The obligation is collateralized by certain Commission assets.

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NOTE 6 — LONG-TERM DEBT (Continued)

At December 31, 2015, long-term debt maturities were comprised of the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 443,087	\$ 49,679	\$ 492,766
2017	452,527	40,239	492,766
2018	462,168	30,598	492,766
2019	472,015	20,751	492,766
2020	482,071	10,695	492,766
Thereafter	244,874	1,507	246,381
	<u>\$ 2,556,742</u>	<u>\$ 153,469</u>	<u>\$ 2,710,211</u>

Interest expense was \$57,529 and \$70,824 for 2015 and 2014, respectively.

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS

Introduction

Substantially all Albany Port District Commission full-time employees participate in the New York State and Local Employees' Retirement System ("System" or "ERS"). The System is a cost-sharing multiple-employer defined benefit plan administered by the State Comptroller. Plan benefits, including retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed under the State Constitution. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors. The System issues a financial report that includes financial statements and other information for the System which is available to the public. The financial report may be obtained from the New York State and Local Employees' Retirement System at www.osc.state.ny.us/retire.

No employee contribution is required for those hired prior to July 1976. The System requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined the System from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership in the System. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Commission to the pension accumulation fund. For 2015, these rates ranged from 10.9% - 25.3% for the Commission's active employees. Employee contributions are deducted from their salaries and remitted on a current basis to the System.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

At December 31, 2015, the Commission reported a liability of \$125,953 for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of March 31, 2015, and the total pension liability was determined by an actuarial valuation as of April 1, 2014, with updated procedures used to roll forward the total pension liability to March 31, 2015. The Commission's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2015 measurement date, the Commission's proportion was 0.0037284%.