

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 — PROPERTY AND EQUIPMENT AND RIGHT-TO-USE LEASE ASSETS

At December 31, 2023 property and equipment is comprised of the following:

	<u>December 31 2022</u>	<u>Additions</u>	<u>Deletions / Transfers</u>	<u>December 31 2023</u>
Port marine facilities	\$ 137,380,409	\$ 26,329	\$ 1,668,887	\$ 139,075,625
Transportation, equipment and furniture	1,546,920	-	-	1,546,920
Construction in process	3,566,125	10,571,303	(1,668,887)	12,468,541
Total	<u>142,493,454</u>	<u>10,597,632</u>	<u>-</u>	<u>153,091,086</u>
Less accumulated depreciation	69,196,839	2,674,555	-	71,871,394
Net property and equipment	<u>\$ 73,296,615</u>	<u>\$ 7,923,077</u>	<u>\$ -</u>	<u>\$ 81,219,692</u>

At December 31, 2022 property and equipment is comprised of the following:

	<u>December 31 2021</u>	<u>Additions</u>	<u>Deletions / Transfers</u>	<u>December 31 2022</u>
Port marine facilities	\$ 128,380,892	\$ 26,656	\$ 8,972,861	\$ 137,380,409
Transportation, equipment and furniture	1,504,117	42,803	-	1,546,920
Construction in process	12,111,639	427,347	(8,972,861)	3,566,125
Total	<u>141,996,648</u>	<u>496,806</u>	<u>-</u>	<u>142,493,454</u>
Less accumulated depreciation	66,541,326	2,655,513	-	69,196,839
Net property and equipment	<u>\$ 75,455,322</u>	<u>\$ (2,158,707)</u>	<u>\$ -</u>	<u>\$ 73,296,615</u>

Depreciation expense was \$2,674,555 and \$2,655,513 for the years ended December 31, 2023 and 2022, respectively.

At December 31, 2023 right-to-use lease assets is comprised of the following:

	<u>December 31 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2023</u>
Port marine facilities	\$ 935,911	\$ 885,726	\$ -	\$ 1,821,637
Less accumulated amortization	166,384	378,434	-	544,818
Net right-to-use lease assets	<u>\$ 769,527</u>	<u>\$ 507,292</u>	<u>\$ -</u>	<u>\$ 1,276,819</u>

At December 31, 2022 right-to-use lease assets is comprised of the following:

	<u>December 31 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2022</u>
Port marine facilities	\$ 935,911	\$ -	\$ -	\$ 935,911
Less accumulated amortization	83,192	83,192	-	166,384
Net right-to-use lease assets	<u>\$ 852,719</u>	<u>\$ (83,192)</u>	<u>\$ -</u>	<u>\$ 769,527</u>

Amortization expense was approximately \$378,000 and \$83,000 for the years ended December 31, 2023 and 2022, respectively.

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NOTE 6 — LONG-TERM OBLIGATIONS

Long-term debt is comprised of the following:

	<u>December 31 2022</u>	<u>Debt Issued</u>	<u>Debt Payments</u>	<u>December 31 2023</u>
Bank of America master lease obligation	\$ 4,335,000	\$ -	\$ 1,732,244	\$ 2,602,756
Less current maturities	<u>1,732,244</u>			<u>1,777,561</u>
	<u>\$ 2,602,756</u>			<u>\$ 825,195</u>

The Commission is a party to a master lease agreement with Bank of America. In June 2014, under the first draw of the agreement, the Commission borrowed \$3,000,000 to retire another Commission obligation and to acquire certain Port related facility equipment. This first draw of the agreement matured in June 2021. In November 2017, under the second draw of the agreement, the Commission borrowed \$4,000,000 to fund certain construction projects. This agreement required interest only payments of approximately \$9,100 per month through May 2018 and, beginning in June 2018, monthly payments of approximately \$52,300, including interest at approximately 2.7%, with final maturity in May 2025.

In November 2018, under the third draw of the agreement, the Commission borrowed \$2,500,000 to fund certain current construction projects. This agreement required interest only payments of approximately \$8,500 per month through May 2019 and, beginning in June 2019, monthly payments of approximately \$34,300, including interest at approximately 4.1%, with final maturity in May 2026.

In January 2021, under the fourth draw of the agreement, the Commission borrowed \$3,000,000 to fund certain current construction projects. This agreement requires monthly payments of approximately \$66,100, including interest at approximately 1.76%, with final maturity in December 2024.

The Bank of America master lease obligation is collateralized by certain Commission assets.

At December 31, 2023, long-term debt maturities were comprised of the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,777,561	\$ 55,239	\$ 1,832,800
2025	655,555	17,529	673,084
2026	<u>169,640</u>	<u>1,739</u>	<u>171,379</u>
	<u>\$ 2,602,756</u>	<u>\$ 74,507</u>	<u>\$ 2,677,263</u>

Interest expense on long term debt was approximately \$95,700 and \$142,800 for 2023 and 2022, respectively.

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NOTE 6 — LONG-TERM OBLIGATIONS (Continued)

Lease liabilities are comprised of the following:

	<u>December 31</u> <u>2022</u>	<u>Additions</u>	<u>Payments</u>	<u>December 31</u> <u>2023</u>
Lease liabilities	\$ 493,279	\$ 860,032	\$ 501,106	\$ 852,205
Less current maturities	238,864			548,832
	<u>\$ 254,415</u>			<u>\$ 303,373</u>

The Commission has entered into two agreements to lease property consisting of land, buildings, and improvements with original terms from 3 to 30 years. These lease agreements have been recorded at the present value of the future minimum lease payments as of the inception date of the agreements or as of January 1, 2021, the implementation date of GASB 87, as applicable. These lease liabilities are measured at rates ranging from 0.23% to 3.00%.

As of December 31, 2023, future maturities relating to these lease liabilities are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 548,832	\$ 14,493	\$ 563,325
2025	303,373	4,952	308,325
	<u>\$ 852,205</u>	<u>\$ 19,445</u>	<u>\$ 871,650</u>

Interest expense on the Commission's lease liabilities approximated \$22,700 and \$1,300 for 2023 and 2022, 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.