



AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

ALBANY PORT DISTRICT COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Albany Port District Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Albany Port District Commission (the "Commission", a component reporting unit of the City of Albany), which comprise the statements of net position as of December 31, 2025 and 2024, and the respective statements of revenues and expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission'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 Albany Port District Commission, as of December 31, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. 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 Commission 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 opinions.

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 consolidated 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 Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 12 and other required supplementary information on pages 33 through 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated 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 consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated 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 audits were conducted for the purpose of forming opinions on the financial statements of the Albany Port District Commission's basic financial statements. The Schedules of Payroll and Related Costs and Other Operating Expenses 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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, this information is fairly stated in all material respects in relation to the 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 March 25, 2026, on our consideration of the Albany Port District Commission'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 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 Commission'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 Commission's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, handwritten font, with 'LLP' in a smaller, simpler font to the right.

Albany, New York
March 25, 2026

ALBANY PORT DISTRICT COMMISSION

Management’s Discussion and Analysis

The following discussion and analysis (MD&A) of the activities and financial performance of the Albany Port District Commission (“APDC” or the “Port”) is offered as an introduction and overview of the financial statements of APDC for the fiscal year ended December 31, 2025, with comparative data for the fiscal year ended December 31, 2024. Following this MD&A are the basic financial statements of APDC together with the notes thereto which are essential to a full understanding of the data contained in the financial statements. In addition to the notes, certain supplementary information is presented to assist with the understanding of the APDC’s financial operations.

APDC is governed by a five-member Board of Commissioners (“Board”). All Commissioners are appointed by the Governor of New York State based upon recommendations of the Mayors of Albany and Rensselaer. The Board has adopted several policies as required under the Public Authorities Accountability Act (“PAAA”) of 2005 and the Public Authorities Reform Act (“PARA”) of 2009, enhancing transparency and embracing best governance practices.

The APDC Finance Committee meets on a quarterly basis or more frequently, if necessary, to review project and transactional analysis. As necessary, the Committee makes recommendations for consideration by the Board. On a monthly basis, the Board meets to discuss tenant needs, infrastructure needs, project activity and progress, maritime activity performance and the APDC’s financial position and performance. Additionally, the APDC Audit Committee, without management present, independently meets with the external auditors to discuss relevant issues and concerns.

INTRODUCTION

In 1925 the Albany Port District Commission was established through an act of the New York State Legislature (“Enabling Legislation”). The Enabling Legislation granted broad authority to the APDC to develop, construct, and manage a maritime facility. During the succeeding decades, the APDC developed into a year-round, twenty-four-hour operation encompassing more than 400 acres within four municipalities, directly and indirectly employing thousands of men and women, and generating hundreds of millions of dollars in regional and state-wide economic output.

Stevedoring services are provided by Logistec. Through a Terminal Operating Agreement (“TOA”) between APDC and Logistec; the company is authorized to manage a portion of APDC property for general cargo and commodity handling and to conduct various activities related to vessel servicing. Under the TOA, Logistec is obligated to make monthly payments to APDC (“Base Payments”). Additionally, upon achieving certain gross revenue thresholds, Logistec is also obligated to pay a percentage of gross revenue to APDC (“Revenue Share Payments”).

The APDC strives to responsibly and effectively manage the publicly owned maritime Port of Albany-Rensselaer, driving the economy of the Capital Region and beyond, while emphasizing transparency and public stewardship. The APDC’s mission consists of three main tenets:

- Effective Management of the Public’s Asset.
- Economic Contribution to the Region.
- Integrity, Professionalism and Customer Service.

Through the execution of this mission, APDC has emerged as an award-winning, multi-faceted organization offering world-class facilities and services with a global economic and industry influence.

INFRASTRUCTURE INVESTMENT

Over the last several years, the Port of Albany – Rensselaer, New York has deliberately transformed opportunity into enduring capacity. The financial statements reflect an organization that invests with purpose—leveraging competitive federal, state and private partner funding to deliver mission-critical

ALBANY PORT DISTRICT COMMISSION

Management's Discussion and Analysis

infrastructure that strengthens the region's supply chain and expands the Port's ability to serve evolving industrial markets. This is not growth for growth's sake; it is disciplined, future-facing development that upgrades the public's assets and builds real, lasting throughput advantage. Lifting not only the Port's position, but also regional manufacturing connection to the world, and the world to the Capital Region of New York.

In 2025, the Port saw return on some of the more recent maritime infrastructure investment in the form of important commerce activity. Over the past six years the Port has invested in multi-program asset and capacity building in the existing maritime infrastructure system to handle heavier and dimensionally larger cargo by leveraging state, federal and operational funding. These investments include rail enhancement, road improvement, wharf and terminal reconstruction, new warehouse construction and maritime shed rehab. In 2025, the Port of Albany received and handled over 200 pieces of onshore wind power components including hubs, drive trains, and machine heads -- some pieces that weigh hundreds of thousands of pounds that were regionally manufactured.

This cargo arrived by heavy rail or heavy haul tractor trailer, and all went out via vessel. These pieces were shipped from the Port of Albany to Australia and are estimated to have a market value of \$7.8 million for each unit. This is part of a larger overall regional economic ecosystem where GE Vernova announced investment (over \$130 million since 2023) in their Schenectady manufacturing operations and workforce related to new production. The manufacturing operation has announced signing multiple multi-year supply agreements with energy projects in Australia where GE will provide onshore wind equipment, with contracts valued at over a billion dollars each. The logistics hub at the Port of Albany is a critical part of this regional ecosystem and supports significant investment, jobs, manufacturing activity and more by the logistics operation available at the Port. The work occurring at the Port in 2025 spurred longshore labor hours, as well as indirect employment activity with drivers, security, welding and other work. This also generated ship activity and is reflected in the tonnage measured in 2025. The Center for Economic Growth, the region's economic development agency highlighted the six year growth in manufacturing in the region and the correlating investments by manufacturers as well as rise in export activity at the Port.

Additionally in 2025, the Port handled the last shipments of the cables for the Champlain Hudson Power Express (CHPE) project that were manufactured in Sweden and shipped directly to the Port of Albany, NY. Over the past few years, the entirety of the cable necessary for the CHPE project was handled through the Port of Albany where cable was unloaded onto reels from a vessel using specialized equipment and techniques. This project is an innovative energy transmission line in and along the Hudson River designed to bring hydropower generated in Quebec to New York City. Cumulatively, the crew at the Port expended more than 11,750 long-shore hours and handled more than 340 miles of cable necessary for the project.

The guiding principle for Port infrastructure investment is to create an environment which enhances supply chain performance and promotes the efficient movement of cargo between the Port and customer markets. Significant resources are allocated by the APDC to develop projects, identify funding opportunities, and perform grant administration related to infrastructure investments. These investments are intended to assist in retaining and attracting customers at the Port and expand its footprint as a regional logistics hub. The work noted above that occurred in 2025 show some exciting outcomes and capabilities at the Port as a result of this deliberate planning and investment.

In 2025, the Port also began implementation of Passenger and Freight Rail Assistance Program (PFRAP) funding the Port competed for and was awarded for improvements in the Albany maritime terminal. The project is to enhance the on-dock heavy rail and the supporting wharf deck. This is critical maritime infrastructure for heavy cargo handling and movement. The project is expected to be completed in 2026 and is a capstone to the multi-year maritime investments that have occurred.

ALBANY PORT DISTRICT COMMISSION

Management's Discussion and Analysis

As global market shifts occurred in 2025 - reacting to trade policies and tariff adjustments - the Port began the process of applying for Foreign Trade Zone (FTZ) designation that can offer some incentives for international shipping. This pursuit is part of the performance of a modern port platform: resilience and help to stabilize and maximize the competitive advantage of the Port of Albany where possible. The designation is expected to become active in 2026.

The Port of Albany and Rensselaer terminal operating services are provided by Logistec Stevedoring. The Port of Albany is one of 60 terminals and 90 ports internationally - and growing - that Logistec manages in its portfolio. The Logistec salesforce that stretches from the Arctic to Brownsville, TX is leading business development efforts for retaining and attracting shipping activity at the Port of Albany. The commercial team presented to the APDC Leadership team in 2025 on its updated commercial and commodity sales approach. The Board of Commissioners will meet with Logistec leadership at a Q1 2026 Commission meeting related to plans for the future and opportunities for growth and investment.

EXPANSION

The Port's trajectory is also defined by readiness. Multi-year, multi-project improvements have expanded storage, strengthened waterfront capacity, improved on-dock rail, and modernized critical assets, positioning the Port to capture new business and serve customers more efficiently. As the Port's footprint expands and development milestones are achieved, we are building a platform that is not only larger, but more capable—purpose-built for the next generation of maritime commerce and industrial development.

In 2025, construction activity at the Port's expansion area south of the existing maritime district narrowed as the multi-year public private partnership agreement was closed out. Concurrently, Port staff pursued alternative funding for critical "pad-ready" infrastructure and explored commercial opportunities for the future of the site.

The work completed at the 85-acre expansion site thoroughly took shape in 2025 with a pad-ready site that could benefit from critical industry attractive infrastructure investments – and future commercial use. The site boasts the newly completed \$20 million heavy capacity bridge span; significant infrastructure improvements with the site built out of the flood plain; installation of water and sewer connections and work on major power connections with installation of a new substation underway. The new substation will provide the 85 acre site access to two 12.5MVA transformers designed to operate redundantly. The substation provides constant industrial scale power (even in the event of a single transformer failure) and the substation can be fed bi-directionally from National Grid transmission lines in the event of an upstream or downstream line outage. The power capacity is adequate for multi-sites uses, including major manufacturing operations. The site is fully designed and fully permitted for supply chain manufacturing and maritime commerce. While originally planned for offshore wind manufacturing, as U.S. policies were shifting away from this industry in 2025 the Port explored alternative commercial opportunities for the site. The Port issued a Request for Expression of Interest (RFEI) for development interests via an open and competitive solicitation. Multiple proposals were received and evaluated with one commercial team recommended for next steps in commercial negotiations that are underway.

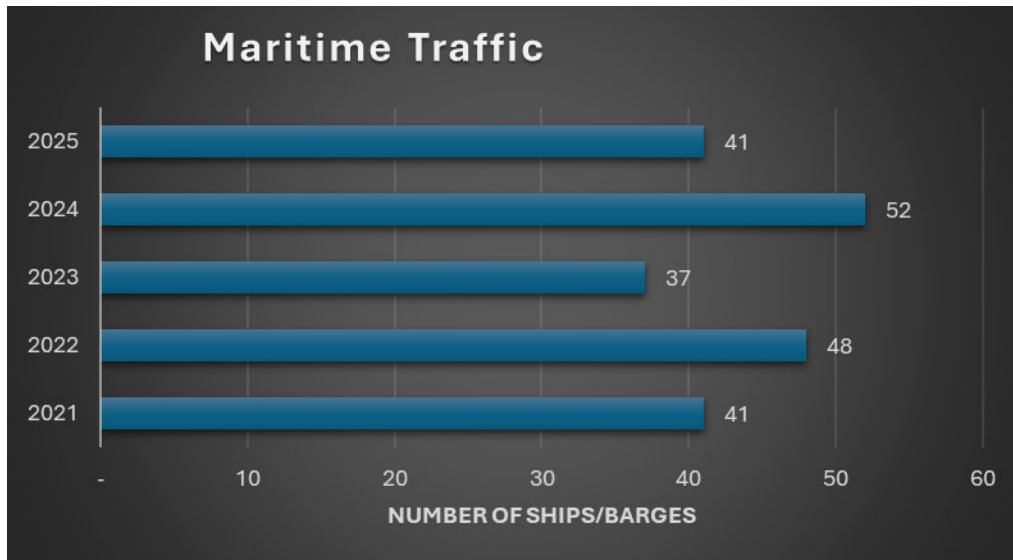
The Port's commerce division applied for multiple competitive economic development funding opportunities at state and federal levels as well as utility economic development funding streams. In early 2025, the Port was awarded an \$18.79 million grant through the Focused Attraction of Shovel-ready Tracts New York (FAST NY) program for utility infrastructure work at the expansion project (Beacon Island), including installation of a high-voltage substation, a wastewater treatment plant, and pump station. This project is underway with plans for work to be substantially complete in 2026.

ALBANY PORT DISTRICT COMMISSION

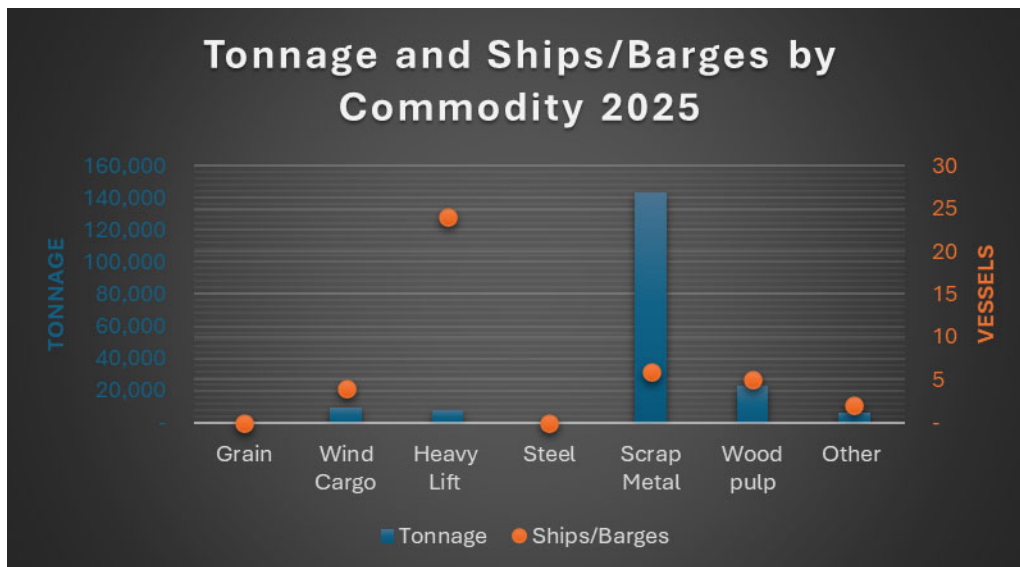
Management's Discussion and Analysis

Next steps are expected to include identifying a commercial development partner; obtaining funding to develop the planned and designed ultra heavy-lift wharf and fully activating this site for maritime commercial activity. In December of 2025 NYSERDA announced a competitive Port Infrastructure grant funding program that the Port team will apply for and could support these next steps for the expansion.

MARITIME-RELATED ACTIVITY



- As compared to 2024, calls to the Port decreased by 11 ships/barges overall during 2025. The primary drivers of this change are within the Wheat/Grain (-3) and Heavy Lift Barges (-16) categories and Wind Cargo (+4). There was increased utilization in the Scrap Metal category, which saw a cumulative 51% increase in tonnage and 2 additional ships.

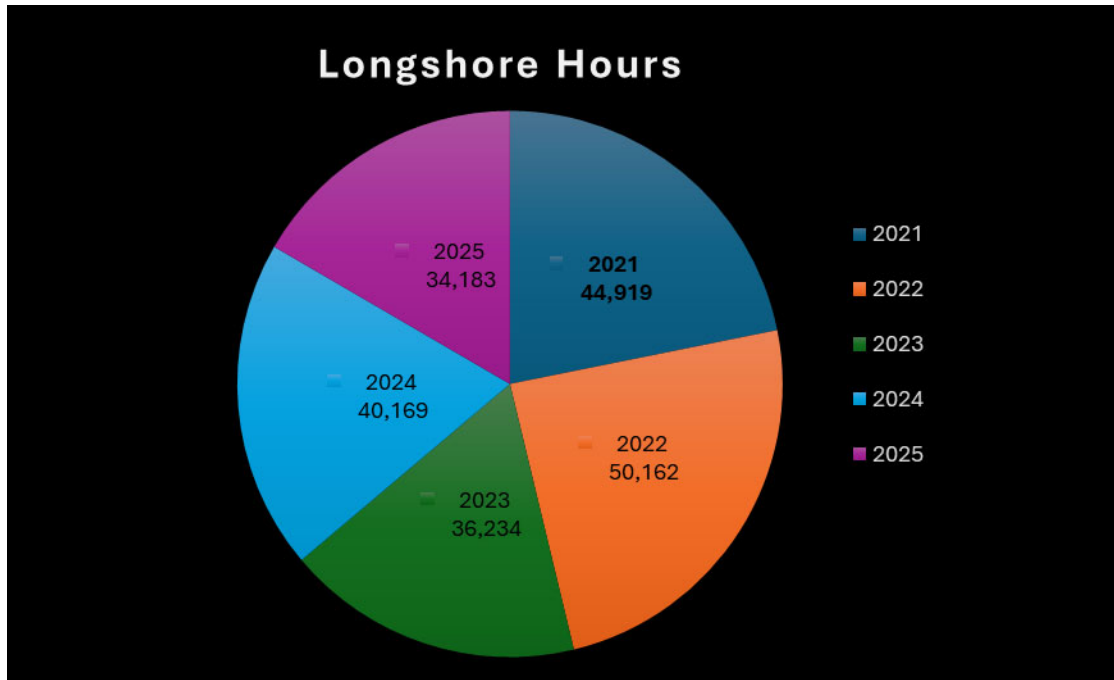


- The highest volume commodity in 2025 was Scrap metal, representing 75.38%.
- Wood Pulp is the second highest-volume 2025 commodity in terms of tonnage. Wood Pulp represents 12% of the total tonnage for the year.

ALBANY PORT DISTRICT COMMISSION

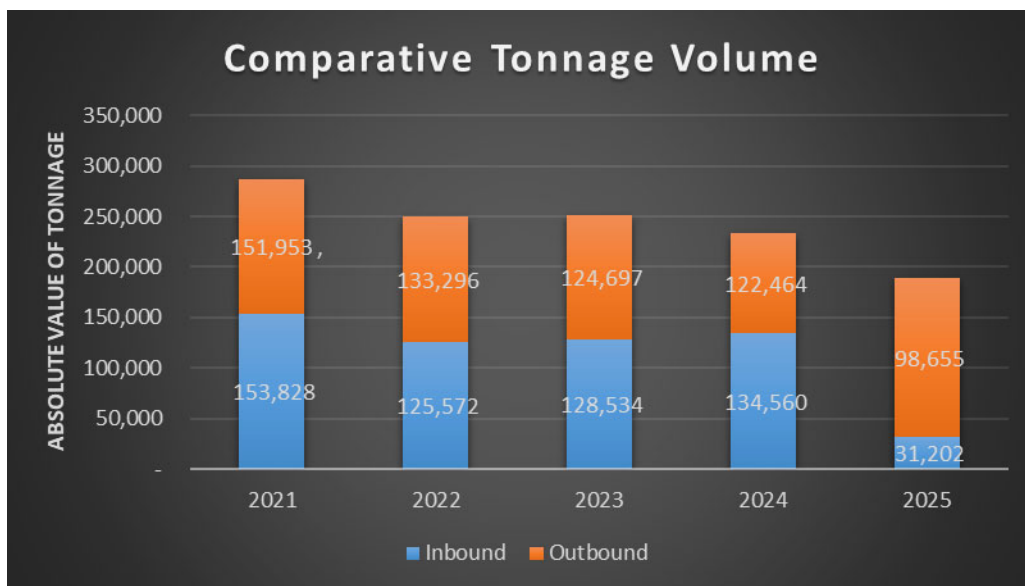
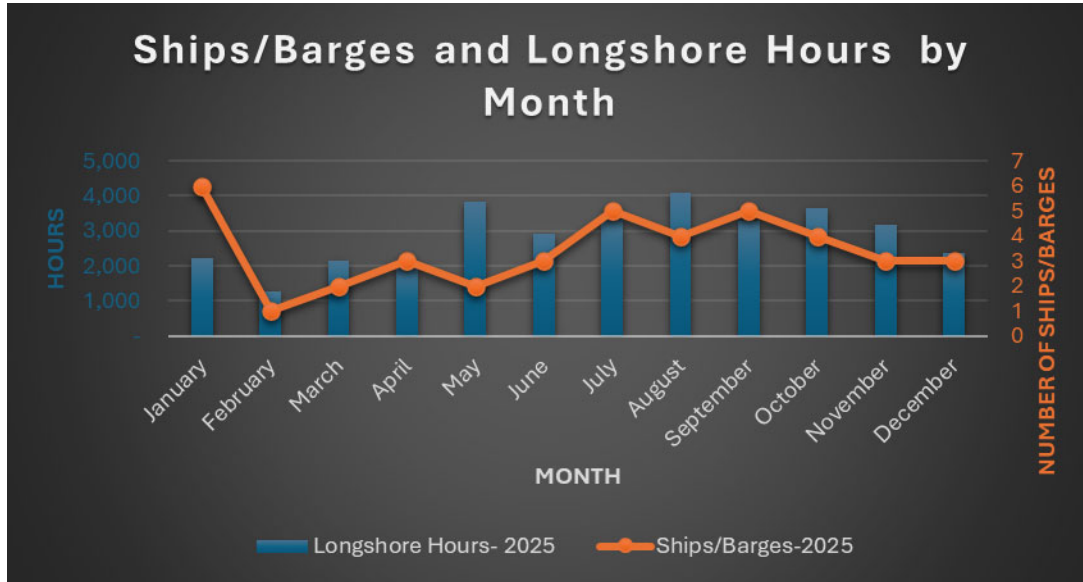
Management's Discussion and Analysis

- There were 24 heavy lift shipments in 2025, with a total tonnage of 7,882 tons. This is an increase from 2024 of 1,583 tons. Although heavy lift/project cargo represents a relatively modest amount of total 2025 tonnage, 58% of all cargo-carrying ship and barge calls in 2025 fell into this category.
- The other category represents 1,310 tons from the CHPE (Champlain Hudson Power Express) project. This is down from 15,866 tons in 2024 when the majority of port handling occurred, ending in early 2025. The port had inbound vessels of sub sea cable and land cable drums.



- The number of longshore hours worked is one of the Port's key indicators and is discussed in detail with the Board of Commissioners monthly. This metric is important as it demonstrates the economic value and job opportunities created by the Port's maritime activity. The Port saw a 15% decrease in labor hours in 2025 compared to 2024. This decrease relates to the changes in cargo and tonnage reflected above and below. This is reflective in the decline in the cable for the power project that finished shipment in 2025 and the decline in wheat activity; both are more labor-intensive commodity handling. The port together with Logistec, the Maritime Terminal Operator, continue their efforts to diversify business and customer opportunities in an effort to offset the fluctuations in project cargo. It is worth noting that 2025 saw volatility in maritime vessel activity along the U.S. East Coast as compared with 2024 driven by trade policy changes and shifting supply chain activity.

**ALBANY PORT DISTRICT COMMISSION
Management's Discussion and Analysis**



- Overall tonnage had a 19% decrease from 2024 (43,579 tons). This decrease is consistent with the trends seen in the types of ships and barges.
- The year-over-year inbound tonnage decrease is 77% and outbound tonnage increase is 61%. There were increases in tonnage that occurred in Grain (1,955 tons) and Other (15,866 tons) categories; with decreases being seen in the remainder of the categories.

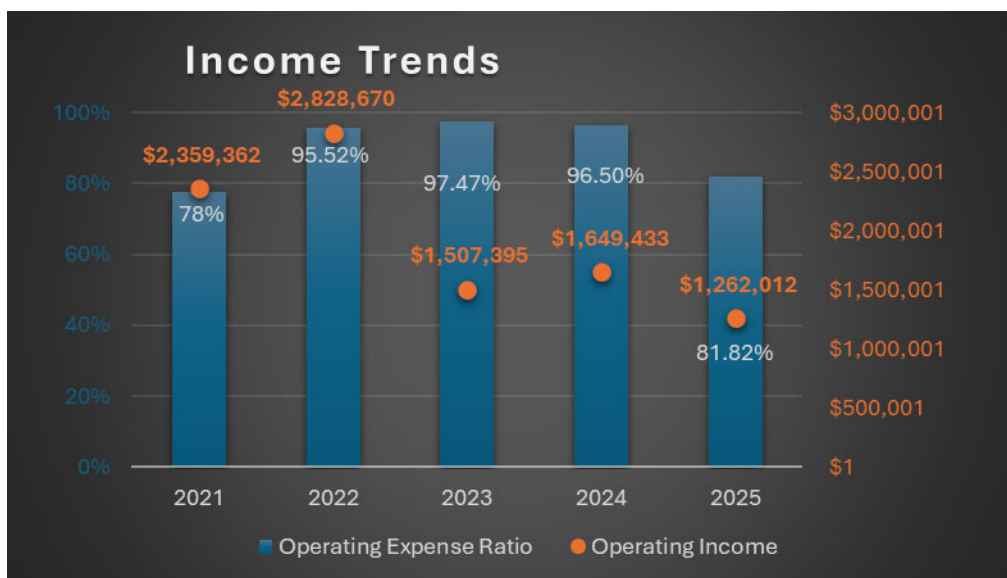
ALBANY PORT DISTRICT COMMISSION Management's Discussion and Analysis

FINANCIAL OPERATIONS HIGHLIGHTS

A condensed summary of revenues and expenses for the years ended December 31, 2025 and 2024 is shown below.

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Property and equipment rentals	\$ 4,712,135	\$ 4,491,513
Maritime-related	1,427,145	1,548,476
Security	538,420	564,333
Offshore Wind project	-	40,260,380
Other operating revenues	263,683	247,517
Total operating revenues	<u>6,941,383</u>	<u>47,112,219</u>
OPERATING EXPENSES		
Payroll and related expenses	3,754,101	3,671,869
Maintenance and material handling	708,004	504,064
Professional services	752,098	649,617
Offshore Wind project	-	40,260,380
Other operating expenses	465,168	376,856
Total operating expenses	<u>5,679,371</u>	<u>45,462,786</u>
OPERATING INCOME	1,262,012	1,649,433
Depreciation and other items	<u>(3,617,143)</u>	<u>(3,638,806)</u>
CHANGE IN NET POSITION BEFORE CAPITAL FUNDING	(2,355,131)	(1,989,373)
Other	19,737,087	-
Capital grant funding	<u>4,276,101</u>	<u>734,488</u>
INCREASE IN NET POSITION	21,658,057	(1,254,885)
Total net position, beginning of year	<u>76,136,953</u>	<u>77,391,838</u>
Total net position, end of year	<u><u>\$ 97,795,010</u></u>	<u><u>\$ 76,136,953</u></u>

Income generated from operations decreased by approximately \$387,000 compared to 2024.



ALBANY PORT DISTRICT COMMISSION

Management's Discussion and Analysis

Operating Revenue decreased by approximately \$40,170,800 or 85%.

- The majority of this decrease, \$40.3 million, relates to the Empire Wind Pre-funding agreement and represents the 2024 expenditure for that funding phase of the project, including administrative revenue earned by APDC.
- In January of 2025 APDC and Empire Wind entered into a termination and release agreement. All 2025 and future expenses related to the project are and will be capitalized.
- The above decrease was offset by improvements in property rental revenue of approximately \$55,000 or 1.3%, along with a 53% increase (approximately \$120,000) in wharfage fees.
- Dockage Fees are charged for vessels that are utilizing berths and are based upon either the length or net registered tonnage ("NRT") of the vessel. Overall, revenue derived from this category decreased by approximately \$236,000 or 35%.
- Revenue generated from utilization of the APDC's two Liebherr mobile harbor cranes increased 99% (approximately \$166,000) as compared to 2024. The revenue reflects hours of use by FMT for maritime terminal operations.

Operating expenses in 2025 saw a decrease from 2024 of approximately \$39,783,400 or 87%.

- \$40.3 million of this decrease is related to the expenses for the Empire Wind Project and is reflected in the revenue from the pre-funding agreement. The remaining expenses increased by 9% or approximately \$477,000.
- Payroll and related expenses have increased by approximately \$82,000 from 2024. Salary expense increased approximately \$134,000 from 2024. Pension, health and other benefit costs (including OPEB expense) decreased approximately \$62,000.
- Professional services and consulting fees increased overall by 25% (approximately \$67,000) from 2024. This increase represents the Grant fee paid related to the ESD Fast NY grant (\$188,000) and is offset by decreases of \$45,000 in other professional services.
- Maintenance and material handling increased by 40% or approximately \$204,000 from 2024. There are small variances in all maintenance categories, but largest increase is Crane repairs (\$188,000) during 2025.
- Insurance expense saw a 9% increase (approximately \$36,000) in 2025. The port had a 4.75% increase in Workers Compensation Costs (\$1,600), the remaining \$34,000 represents a 9.6% increase in the other insurance of the Port.

A condensed summary of APDC's net position at December 31, 2023, 2024, and 2025 is shown below.

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Management's Discussion and Analysis

The net position increase from December 31, 2023 to December 31, 2025 was \$20,403,172.

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets and Deferred Outflows of Resources			
Current assets	\$ 35,403,285	\$ 21,477,546	\$ 17,478,055
Capital assets	81,219,692	79,474,016	89,821,464
Other long term assets	18,710,442	15,628,078	13,401,343
Deferred outflows of resources	1,104,653	1,221,076	958,389
Total assets and deferred outflows of resources	<u>\$ 136,438,072</u>	<u>\$ 117,800,716</u>	<u>\$ 121,659,251</u>
Liabilities			
Current liabilities	\$ 32,408,645	\$ 17,870,206	\$ 2,107,008
Long-term liabilities	6,072,415	5,184,353	5,174,597
Deferred inflows of resources	20,925,174	18,609,204	16,582,636
Total liabilities and deferred inflows of resources	<u>\$ 59,406,234</u>	<u>\$ 41,663,763</u>	<u>\$ 23,864,241</u>
Net Position			
Invested in capital assets, net of related debt	\$ 78,616,936	\$ 78,648,821	\$ 89,651,824
Unrestricted	(1,225,098)	(2,511,868)	8,143,186
Total net position	<u>\$ 77,391,838</u>	<u>\$ 76,136,953</u>	<u>\$ 97,795,010</u>

CURRENT KNOWN FACTS, DECISIONS OR CONDITIONS

The remaining \$2.5 million sub-lease under the existing master lease with Bank of America has a final maturity date of May 2026. Certain APDC-owned equipment assets serve as collateral under the terms of the sub-lease.

Pad-ready development activities, including installation of the high-voltage substation with two 12.5MVA transformers designed to operate redundantly, construction of the Waste Water Treatment Plant, Fire Pump House and other site infrastructure elements included in the site plan permitting applications will continue in 2026 for the Port Expansion in the Town of Bethlehem utilizing competitively secured economic development funding since the Offshore Wind Project funding agreement has closed.

The Commission was awarded a NYSDOT Grant of \$9,907,703 through the PFRAP (Passenger and Freight Rail Assistance Program) funding will be used to upgrade the Heavy Lift Wharf Deck and Rail to meet the increasing demands of freight and maritime cargo. Construction on this project is underway and expected to be completed in 2026, with project close out in 2027.

The Port was awarded an \$18.79 million grant through the Focused Attraction of Shovel-ready Tracts New York (FAST NY) program during 2025. This funding will be used for utility infrastructure work at the expansion project (Beacon Island), including installation of a high-voltage substation, a wastewater treatment plant, and pump station. This project is underway with plans for work to be substantially complete in 2026.

Heavy Lift project work is expected in 2026 and 2027 with outbound cargo manufactured at GE Vernova in Schenectady being handled at the Port planned for international shipping.

A sublease was executed in 2023 for the acquisition of an additional 42-acre parcel in the City of Rensselaer. This sublease was extended in 2025 and the Port team is in active negotiations with potential commercial users for the site that could generate economic benefits for the surrounding district.

ALBANY PORT DISTRICT COMMISSION

Management's Discussion and Analysis

In 2025, LOGISTEC, a world-wide maritime transportation leader that is the terminal operator at the Port of Albany operation (assumed through their 2023 acquisition of FMT) updated their business development and salesforce strategy with a commodity focused approach. This focuses operational capacity at the terminal facilities with sales and business development specialties across markets. The collaborative approach to business development, is expected to help Logistec expand and offer a turn-key solution that includes trucking, warehousing and freight services, providing additional value customers and supply chain partners.

FINANCIAL STATEMENTS

APDC's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). Revenue is recognized when earned, not when received and expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of APDC's financial condition. Questions concerning the information provided in this report may be addressed in writing to:

Albany Port District Commission
106 Smith Boulevard
Albany, NY 12202

ALBANY PORT DISTRICT COMMISSION
STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,888,784	\$ 15,938,608
Accounts receivable	386,421	629,989
Lease receivables	3,423,797	3,317,697
Grants receivable	298,617	1,394,855
Other current assets	480,436	196,397
Total current assets	<u>17,478,055</u>	<u>21,477,546</u>
LONG-TERM ASSETS		
Lease receivables	12,881,392	14,729,693
Right-to-use lease assets, net of amortization	519,951	898,385
Net property and equipment	89,821,464	79,474,016
Total long-term assets	<u>103,222,807</u>	<u>95,102,094</u>
Total assets	<u>120,700,862</u>	<u>116,579,640</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to net pension liability	381,467	531,860
Deferred outflows related to other post employment benefit obligation	576,922	689,216
Total deferred outflows of resources	<u>958,389</u>	<u>1,221,076</u>
	<u>\$ 121,659,251</u>	<u>\$ 117,800,716</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 169,640	\$ 655,555
Lease liabilities	-	303,373
Deferred revenue	9,249	11,622,267
Accounts payable	1,041,047	3,494,718
Accrued expenses	887,072	1,794,293
Total current liabilities	<u>2,107,008</u>	<u>17,870,206</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities	-	169,640
Security deposits	109,641	109,219
OPEB obligation	4,231,508	4,242,109
Net pension liability	833,448	663,385
Total long-term liabilities	<u>5,174,597</u>	<u>5,184,353</u>
Total liabilities	<u>7,281,605</u>	<u>23,054,559</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to net pension liability	10,328	355,071
Deferred inflows related to other post employment benefit obligation	1,155,766	1,067,895
Deferred inflows related to lease receivables	15,416,542	17,186,238
Total deferred inflows of resources	<u>16,582,636</u>	<u>18,609,204</u>
NET POSITION		
Net investment in capital assets	89,651,824	78,648,821
Unrestricted	8,143,186	(2,511,868)
Total net position	<u>97,795,010</u>	<u>76,136,953</u>
	<u>\$ 121,659,251</u>	<u>\$ 117,800,716</u>

See notes to financial statements.

ALBANY PORT DISTRICT COMMISSION
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Property rentals	\$ 4,379,810	\$ 4,325,156
Dockage fees	431,644	666,147
Wharfage fees	344,031	224,341
Stevedore fees	651,470	657,988
Crane/equipment rentals	332,325	166,357
Offshore wind project	-	40,260,380
Security fees	538,420	564,333
Storage and other services	263,683	247,517
	<u>6,941,383</u>	<u>47,112,219</u>
OPERATING EXPENSES		
Payroll and related benefit costs	3,754,101	3,671,869
Maintenance expense	355,859	360,755
Material handling	352,145	143,309
Insurance	423,885	388,211
Professional and consulting fees	328,213	261,406
Offshore wind project	-	40,260,380
Other operating expenses	465,168	376,856
	<u>5,679,371</u>	<u>45,462,786</u>
OPERATING INCOME, BEFORE DEPRECIATION AND OTHER ITEMS	<u>1,262,012</u>	<u>1,649,433</u>
DEPRECIATION AND OTHER ITEMS		
Depreciation	(3,220,005)	(3,211,185)
Amortization on right-to-use lease asset	(378,434)	(378,434)
Gain on sale of property and equipment	-	13,959
Waterfront development costs	(31,985)	(34,894)
Interest income	35,004	40,355
Interest expense	(21,723)	(68,607)
	<u>(3,617,143)</u>	<u>(3,638,806)</u>
CHANGE IN NET POSITION BEFORE CAPITAL FUNDING	<u>(2,355,131)</u>	<u>(1,989,373)</u>
Other	19,737,087	-
Capital grant funding	4,276,101	734,488
CHANGE IN NET POSITION	<u>21,658,057</u>	<u>(1,254,885)</u>
Total net position, beginning of the year	<u>76,136,953</u>	<u>77,391,838</u>
Total net position, end of year	<u>\$ 97,795,010</u>	<u>\$ 76,136,953</u>

See notes to financial statements.

ALBANY PORT DISTRICT COMMISSION

STATEMENTS OF CASH FLOWS

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from rentals	\$ 4,705,568	\$ 4,433,333
Cash received for facility usage	1,639,542	1,339,462
Cash received from Offshore wind project	-	30,999,999
Cash received from other services	802,103	811,850
Cash payments to employees and professionals	(3,883,391)	(3,673,917)
Cash payments for materials and maintenance	(3,475,234)	(417,138)
Cash payments for insurance	(699,837)	(153,346)
Cash payments for Offshore wind project	-	(43,373,903)
Cash payments for other expenses	(464,746)	(391,486)
Net cash used in operating activities	<u>(1,375,995)</u>	<u>(10,425,146)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash payments for municipal support agreement costs and waterfront development costs	(31,985)	(273,758)
Net cash used in noncapital financing activities	<u>(31,985)</u>	<u>(273,758)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash payments for capital assets	(14,202,848)	(1,984,958)
Cash received from sale of property and equipment	-	16,900
Cash received from offshore wind project settlement	8,134,312	-
Cash received from capital grant funding	5,372,339	3,480,016
Cash paid for interest	(21,723)	(69,733)
Cash payments on long-term debt and other obligations	(958,928)	(2,071,979)
Net cash used in capital and related financing activities	<u>(1,676,848)</u>	<u>(629,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from interest	35,004	40,355
Cash received from sale of investments	-	247,510
Net cash provided by investing activities	<u>35,004</u>	<u>287,865</u>
Net change in cash	(3,049,824)	(11,040,793)
Cash, beginning of year	<u>15,938,608</u>	<u>26,979,401</u>
Cash, end of year	<u>\$ 12,888,784</u>	<u>\$ 15,938,608</u>
RECONCILIATION OF OPERATING INCOME, BEFORE DEPRECIATION AND OTHER ITEMS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income, before depreciation and other items	\$ 1,262,012	\$ 1,649,433
Adjustments to reconcile operating income to net cash used in operating activities:		
Changes in:		
Accounts receivable	243,568	(240,606)
Lease receivables	1,742,201	2,592,466
Other assets	(284,039)	243,978
Accounts payable	(1,818,276)	2,854,162
Accrued expenses	(906,799)	(5,914,468)
Deferred revenue	(10,243)	(9,263,215)
Deferred inflows related to leases	(1,769,696)	(2,616,219)
OPEB obligation and net pension liability related accounts	165,277	269,323
Total adjustments	<u>(2,638,007)</u>	<u>(12,074,579)</u>
Net cash used in operating activities	<u>\$ (1,375,995)</u>	<u>\$ (10,425,146)</u>

See notes to financial statements.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 — ORGANIZATION AND STATUTORY COMMISSION

The Albany Port District Commission (the Commission) was established in 1925 under Chapter 192 of the Laws of the State of New York. The law, as amended, grants the Commission regulatory powers over the development and operations of the facilities of the Albany Port District. The Commission, a Public Corporation with perpetual existence, has the power to construct, develop and operate Port facilities, including a terminal railroad; to fix fees, rates, rentals and other charges for its facilities; to regulate and supervise the construction and operations of the Port facilities by private enterprise; to issue bonds and notes; and to do all other things necessary to make the Port useful and productive. The Commission also has the right of eminent domain.

The Laws of 1925 provide that the municipalities of Albany and Rensselaer be assessed for the Commission's deficit, if any, which might result from operations and financing. A 1932 reapportionment determination established rates for this purpose which approximate 88 percent for Albany and 12 percent for Rensselaer. Although rates are subject to change under the provisions of the law, in recent years there have been no such assessments.

The Commission is a component reporting unit of the City of Albany and, as such, is included in the City's general purpose financial statements.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Commission follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus." Statement 34, as amended by Statement 37 and Statement 63, establishes standards for external reporting for all state and local government entities. It also requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- **Net Investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net position, when applicable, consists of restrictions placed on fund equity use through external constraints imposed by creditors (such as through debt covenants), by law or regulation, or through enabling legislation. No component of net position was classified as restricted at either December 31, 2025 or 2024.
- **Unrestricted** – This component of net position consists of fund equity that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Basis of Accounting: The accompanying financial statements have been prepared in conformity with generally accepted accounting principles for governmental entities, as prescribed by GASB. In accordance with the provisions promulgated by GASB, the Commission has elected not to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 1989.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued): The operations of the Commission are reported as a proprietary fund and, as such, are accounted for on a flow of economic resources measurement focus under the accrual basis of accounting. Within this measurement focus, all assets and liabilities associated with operations are included on the balance sheet with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Cash and Cash Equivalents: The Commission considers all liquid investments with an original maturity of three months or less to be cash equivalents. The Commission's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, cash equivalents and investments. The Commission places cash and temporary cash investments with high quality credit institutions.

Property and Equipment: The Commission's property, equipment, and other facilities are carried at cost and include capital grant funding from federal, state and local Governmental entities utilized to acquire, construct, and improve facilities of the Commission. Such capital funding is recorded for amounts derived from capital project grants and other resources which are restricted to facility acquisition or construction. The Commission recognizes capital funding arising from capital project grants when earned (generally when the related capital expenditure is made). Depreciation is computed on the straight-line method based on estimated useful lives of the related assets, including those financed by capital funding grants. A substantial portion of depreciation is attributable to assets purchased with capital funding under various Federal and State grants.

The estimated useful lives used in the calculation of depreciation are generally as follows:

Port marine facilities	10 to 40 Years
Furniture and equipment	5 to 10 Years
Transportation equipment	5 to 10 Years

Right-to-Use Lease Assets: The commission's right-to-use lease assets are reported within the major class of the underlying asset and initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or before the commencement of the lease term, less any lease incentives, plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

Accrued Employee Benefits: It is the Commission's policy to record employee benefits, including accumulated vacation earned, retirement benefits and post-retirement benefits, as a liability. Commission employees are granted vacation leave in varying amounts and may carry-over unused leave, subject to stated policy limitations. In the event of termination, an employee is paid for such time.

Deferred Revenue: Deferred revenue consists principally of prefunding related to an Offshore wind Project (see Note 10).

Retirement Benefits: The Commission provides retirement benefits for its employees through contributions to the New York State Employees' Retirement System ("ERS" or "System"). The System's retirement programs provide various plans and options, some of which require employee contributions. The Commission uses GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) to recognize the net pension liability, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues: The Commission’s operating revenues are principally derived from four sources: property rentals, dockage fees, wharfage fees and security fees. Rental income is earned from tenants leasing buildings and other property owned by the Commission; dockage fees are earned from ships docked at Commission owned facilities; wharfage fees, including stevedore fees, are earned from unloading ships; and security fees are earned by providing certain security related services to tenants and others. Operating revenues also include equipment rentals, storage fees, service charges and other fees.

Operating Expenses: Operating expenses consist principally of payroll and related benefit costs, maintenance costs, material handling costs, insurance costs, professional and consulting fees, promotional expenses and utilities.

Capital Funding: Capital funding represents grants, generally from federal and state funding sources, which are designated for capital asset acquisition and/or construction.

Income Taxes: The properties and income of the Commission are exempt from all Federal and State income and franchise taxes.

Estimates and Judgments: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Subsequent Events: For purposes of preparing the financial statements, the Commission has considered events through March 25, 2026, the date the financial statements were available to be issued.

Changes in Accounting Principle: During the fiscal year ended December 31, 2025, the Commission implemented GASB Statement No.102, "*Certain Risk Disclosures*," which clarifies the financial reporting requirements for risks related to vulnerabilities due to certain concentrations and constraints. For concentrations or constraints that meet the definition in the standard, governments are required to disclose the concentration or constraint, any related events that could have a substantial impact, and the actions taken by the government to mitigate the risk. Upon evaluation, the implementation of GASB 102 did not have a material impact on the Commission’s financial statements or related disclosures. The Commission’s existing policies and practices were consistent with the principles outlined in GASB 102.

NOTE 3 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31:

	<u>2025</u>		<u>2024</u>	
	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposit accounts	<u>\$ 12,888,784</u>	<u>\$ 13,369,928</u>	<u>\$ 15,938,608</u>	<u>\$ 16,116,080</u>

At December 31, 2025 and 2024, the Commission’s cash and deposits were covered by FDIC insurance or otherwise collaterally secured through its principal financial institution, KeyBank.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 — PROPERTY AND EQUIPMENT AND RIGHT-TO-USE LEASE ASSETS

At December 31, 2025 property and equipment is comprised of the following:

	<u>December 31 2024</u>	<u>Additions</u>	<u>Deletions / Transfers</u>	<u>December 31 2025</u>
Port marine facilities	\$ 147,237,216	\$ 32,485	\$ 204,280	\$ 147,473,981
Transportation, equipment and furniture	1,860,581	379,898	-	2,240,479
Construction in process	2,447,095	13,155,070	(204,280)	15,397,885
Total	<u>151,544,892</u>	<u>13,567,453</u>	<u>-</u>	<u>165,112,345</u>
Less accumulated depreciation	72,070,876	3,220,005	-	75,290,881
Net property and equipment	<u>\$ 79,474,016</u>	<u>\$ 10,347,448</u>	<u>\$ -</u>	<u>\$ 89,821,464</u>

At December 31, 2024 property and equipment is comprised of the following:

	<u>December 31 2023</u>	<u>Additions</u>	<u>Deletions / Transfers</u>	<u>December 31 2024</u>
Port marine facilities	\$ 139,075,625	\$ 33,137	\$ 8,128,454	\$ 147,237,216
Transportation, equipment and furniture	1,546,920	412,632	(98,971)	1,860,581
Construction in process	12,468,541	1,038,231	(11,059,677)	2,447,095
Total	<u>153,091,086</u>	<u>1,484,000</u>	<u>(3,030,194)</u>	<u>151,544,892</u>
Less accumulated depreciation	71,871,394	3,211,185	(3,011,703)	72,070,876
Net property and equipment	<u>\$ 81,219,692</u>	<u>\$ (1,727,185)</u>	<u>\$ (18,491)</u>	<u>\$ 79,474,016</u>

Depreciation expense was \$3,220,005 and \$3,211,185 for the years ended December 31, 2025 and 2024, respectively.

At December 31, 2025 right-to-use lease assets is comprised of the following:

	<u>December 31 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2025</u>
Port marine facilities	\$ 1,821,637	\$ -	\$ -	\$ 1,821,637
Less accumulated amortization	923,252	378,434	-	1,301,686
Net right-to-use lease assets	<u>\$ 898,385</u>	<u>\$ (378,434)</u>	<u>\$ -</u>	<u>\$ 519,951</u>

At December 31, 2024 right-to-use lease assets is comprised of the following:

	<u>December 31 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2024</u>
Port marine facilities	\$ 1,821,637	\$ -	\$ -	\$ 1,821,637
Less accumulated amortization	544,818	378,434	-	923,252
Net right-to-use lease assets	<u>\$ 1,276,819</u>	<u>\$ (378,434)</u>	<u>\$ -</u>	<u>\$ 898,385</u>

Amortization expense was approximately \$378,000 for each of the years ended December 31, 2025 and 2024.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 5 — LONG-TERM OBLIGATIONS

At December 31, 2025 long-term debt is comprised of the following:

	<u>December 31 2024</u>	<u>Debt Issued</u>	<u>Debt Payments</u>	<u>December 31 2025</u>
Bank of America master lease obligation	\$ 825,195	\$ -	\$ 655,555	\$ 169,640
Less current maturities	<u>655,555</u>			<u>169,640</u>
	<u>\$ 169,640</u>			<u>\$ -</u>

At December 31, 2024 long-term debt is comprised of the following:

	<u>December 31 2023</u>	<u>Debt Issued</u>	<u>Debt Payments</u>	<u>December 31 2024</u>
Bank of America master lease obligation	\$ 2,602,756	\$ -	\$ 1,777,561	\$ 825,195
Less current maturities	<u>1,777,561</u>			<u>655,555</u>
	<u>\$ 825,195</u>			<u>\$ 169,640</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, 2025, long-term debt maturities were comprised of the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 169,640	\$ 1,739	\$ 171,379
	<u>\$ 169,640</u>	<u>\$ 1,739</u>	<u>\$ 171,379</u>

Interest expense on long term debt was approximately \$17,500 and \$55,200 for 2025 and 2024, respectively.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 5 — LONG-TERM OBLIGATIONS (Continued)

At December 31, 2025 lease liabilities are comprised of the following:

	<u>December 31</u> <u>2024</u>	<u>Additions</u>	<u>Payments</u>	<u>December 31</u> <u>2025</u>
Lease liabilities	\$ 303,373	\$ -	\$ 303,373	\$ -
Less current maturities	<u>303,373</u>			<u>-</u>
	<u>\$ -</u>			<u>\$ -</u>

At December 31, 2024 lease liabilities are comprised of the following:

	<u>December 31</u> <u>2023</u>	<u>Additions</u>	<u>Payments</u>	<u>December 31</u> <u>2024</u>
Lease liabilities	\$ 852,205	\$ -	\$ 548,832	\$ 303,373
Less current maturities	<u>548,832</u>			<u>303,373</u>
	<u>\$ 303,373</u>			<u>\$ -</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, 2025, there are no more future maturities relating to these lease liabilities.

Interest expense on the Commission's lease liabilities approximated \$4,200 and \$13,400 for 2025 and 2024, respectively.

NOTE 6 — 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.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

Introduction (Continued)

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 2025, these rates ranged from 9.5% - 18.2% 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, 2025 and 2024, the Commission reported a liability of \$833,448 and \$663,385 for its proportionate share of the ERS net pension liability, respectively. At December 31, 2024, the ERS net pension liability was measured as of March 31, 2025, and the total pension liability was determined by an actuarial valuation as of April 1, 2024, with updated procedures used to roll forward the total pension liability to March 31, 2025. 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, 2025 measurement date, the Commission's proportion was 0.0048610%.

At December 31, 2024, the ERS net pension liability was measured as of March 31, 2024, and the total pension liability was determined by an actuarial valuation as of April 1, 2023, with updated procedures used to roll forward the total pension liability to March 31, 2024. 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, 2024 measurement date, the Commission's proportion was 0.0045055%.

For the year ended December 31, 2025, the Commission recognized net pension expense of approximately \$226,200 from ERS and reported deferred outflows of resources and deferred inflows of resources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 206,867	\$ 9,758
Changes in assumptions	34,953	-
Net difference between projected and actual earnings on pension plan investments	65,390	-
Changes in proportion and differences between Commission contributions and proportionate share of contributions	74,257	570
Commission contributions subsequent to measurement date	-	-
	<u>\$ 381,467</u>	<u>\$ 10,328</u>

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

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

For the year ended December 31, 2024, the Commission recognized net pension expense of approximately \$321,500 from ERS and reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,675	\$ 18,089
Changes in assumptions	250,811	-
Net difference between projected and actual earnings on pension plan investments	-	324,060
Changes in proportion and differences between Commission contributions and proportionate share of contributions	67,374	12,922
Commission contributions subsequent to measurement date	-	-
	<u>\$ 531,860</u>	<u>\$ 355,071</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending March 31,	Net Deferred (Inflows) and Outflows of Resources
2026	\$ 171,771
2027	233,574
2028	(54,963)
2029	<u>20,757</u>
	<u>\$ 371,139</u>

Actuarial Assumptions

For ERS, the actuarial assumptions used in the April 1, 2024 and 2023 valuations, with update procedures used to roll forward the total pension liability to March 31, 2025 and 2024, respectively, were as follows.

Inflation – 2.9%

Salary increases – 4.3% and 4.4%, respectively

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Based on ERS experience from April 1, 2015 – April 1, 2020 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021

Discount rate – 5.9%

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on the System's pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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 the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

The System's best estimate of the real rates of return for each major asset class and the System's target asset allocations as of March 31, 2025 and 2024 are summarized as follows:

<u>Asset Class</u>	<u>March 31, 2025</u>		<u>March 31, 2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	25%	3.54%	32%	4.00%
International equities	14%	6.57%	15%	6.65%
Private equities	15%	7.25%	10%	7.25%
Real estate	12%	4.95%	9%	4.60%
Opportunistic/Absolute return strategies	3%	5.25%	3%	5.25%
Credit	4%	5.40%	4%	5.40%
Real assets	4%	5.55%	3%	5.79%
Fixed Income	22%	2.00%	23%	1.50%
Cash	1%	0.25%	1%	0.25%
	<u>100%</u>		<u>100%</u>	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System'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 table presents the Commission's proportionate share of its net pension liability calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	<u>1.0% Decrease</u>	<u>5.9%</u>	<u>1.0% Increase</u>
Commission's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,412,103</u>	<u>\$ 833,448</u>	<u>\$ (484,730)</u>

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7 — OTHER POST-EMPLOYMENT BENEFITS

The Commission provides certain health care benefits for retired employees and their covered dependents. Employees of the Commission become eligible for those benefits if they reach normal retirement age while working for the Commission. The Commission uses GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) to recognize the total OPEB liability, deferred outflows and deferred inflows of resources, OPEB expense, and information about and changes in the total OPEB liability.

Plan Description and Funding Policy

The Commission administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for qualifying retirees and their covered dependents and can be amended by action of the Commission. The Plan does not currently issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The Commission pays the full cost of eligible retiree health insurance. The Commission currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis, with the possibility of pre-funding additional benefits if so determined by the Commission.

Total OPEB Liability

At December 31, 2025 and 2024, the Commission reported a liability of \$4,231,508 and \$4,242,109, respectively. The total OPEB liability as of December 31, 2025 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2024. The total OPEB liability as of December 31, 2024, was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

Employees Covered by Benefit Terms

At January 1, 2024, the actuarial valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	-
Active employees	<u>20</u>
	<u>30</u>

Actuarial Assumptions and Other Inputs

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate used in current measurement – 4.83%

Discount rate used in prior measurement – 4.08%

Healthcare cost trend rates used in current measurement – 6.25% for 2025 (decreasing to an ultimate rate of 4.5% by 2032)

Healthcare cost trend rates used in prior measurement – 6.5% for 2024 (decreasing to an ultimate rate of 4.5% by 2032)

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

Mortality rates used in the current and prior measurement were based on the New York State Age Related Medical Morbidity Factors.

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Beginning balance for year end December 31, 2024	\$ 3,851,722
Changes for the year:	
Service cost	265,885
Interest	131,414
Changes of benefit terms	-
Differences between expected and actual experience	(222,490)
Changes of assumptions or other inputs	388,573
Benefit payments	(172,995)
Net changes	<u>390,387</u>
Ending balance for year end December 31, 2024	\$ 4,242,109
Changes for the year:	
Service cost	265,885
Interest	181,277
Changes of benefit terms	-
Differences between expected and actual experience	(327,887)
Changes of assumptions or other inputs	(1)
Benefit payments	(129,875)
Net changes	<u>(10,601)</u>
Ending balance for year end December 31, 2025	\$ 4,231,508

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1.0% Decrease</u>	<u>Discount Rate</u>	<u>1.0% Increase</u>
Total OPEB Liability	<u>\$4,507,569</u>	<u>\$4,231,508</u>	<u>\$4,012,694</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1.0% Decrease</u>	<u>Current Trend Rates</u>	<u>1.0% Increase</u>
Total OPEB Liability	<u>\$4,042,985</u>	<u>\$4,231,508</u>	<u>\$4,449,002</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025 and 2024, the Commission recognized OPEB expense of approximately \$319,000 and \$307,000, respectively. At December 31, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 380,129	\$ 275,564
Changes of assumptions or other inputs	<u>196,793</u>	<u>880,202</u>
Total	<u>\$ 576,922</u>	<u>\$ 1,155,766</u>

At December 31, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 442,894	\$ 343,648
Changes of assumptions or other inputs	<u>246,322</u>	<u>724,247</u>
Total	<u>\$ 689,216</u>	<u>\$ 1,067,895</u>

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ended December 31</u>	<u>Net Deferred (Inflows) And Outflows of Resources</u>
2026	\$(127,723)
2027	(127,723)
2028	(127,723)
2029	(108,883)
2030	(25,241)
Thereafter	<u>(61,551)</u>
	<u><u>\$(578,844)</u></u>

NOTE 8 — PROPERTY HELD FOR LEASE

The Commission has entered into various leases with tenants for the use of space at Port owned buildings, terminals, offices, and other facilities. The Commission reported lease receivables on the statements of net position of \$16,305,189 and \$18,047,390 (which includes current interest receivable on leases of \$31,971 and \$23,127) at December 31, 2025 and 2024, respectively. Lease receivables were recognized at present value utilizing discount rates ranging from 1.75% to 3.25%.

The approximate minimum future rentals scheduled to be received on leases in effect on December 31, 2025 were as follows:

<u>Year ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2026	\$ 3,391,826	\$ 357,702	\$ 3,749,528
2027	3,190,619	283,527	3,474,146
2028	2,129,408	217,841	2,347,249
2029	1,333,225	175,327	1,508,552
2030	1,356,429	140,372	1,496,801
2031-2035	3,737,076	309,068	4,046,144
2036-2040	754,113	66,382	820,495
2041-2045	160,198	34,561	194,759
2046-2050	159,467	17,725	177,192
2051-2055	9,663	9,421	19,084
2056-2060	11,366	7,718	19,084
2061-2065	13,369	5,716	19,085
2066-2070	15,724	3,360	19,084
2071-2075	10,735	716	11,451
	<u><u>\$ 16,273,218</u></u>	<u><u>\$ 1,629,436</u></u>	<u><u>\$ 17,902,654</u></u>

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 8 — PROPERTY HELD FOR LEASE (Continued)

Deferred inflows of resources of \$15,416,542 and \$17,186,238 were reported in the statements of net position at December 31, 2025 and 2024, respectively. The deferred inflows of resources will be recognized as lease revenue over the terms of the leases on a straight-line basis.

Lease related revenues, recognized in property rentals on the statement of revenues and expenses and changes in net position, were as follows:

	<u>2025</u>	<u>2024</u>
Lease-related Revenue		
Lease Revenue		
Land	\$ 1,156,409	\$ 1,117,173
Building	2,264,286	2,294,294
Office Space	21,403	21,034
Total Lease Revenue	<u>\$ 3,442,098</u>	<u>\$ 3,432,501</u>
Interest Revenue	409,319	472,001
Variable and Other Revenue	<u>528,393</u>	<u>420,654</u>
Total	<u><u>\$ 4,379,810</u></u>	<u><u>\$ 4,325,156</u></u>

Variable and other revenues consist of rents on short-term leases and additional rent payments including CPI increases on certain lease agreements.

NOTE 9 — WATERFRONT DEVELOPMENT COSTS

The Commission is committed to supporting the City of Albany's efforts in developing the Corning Preserve and Hudson River waterfront. In this regard, during 2002, the Albany Industrial Development Agency (AIDA) issued \$4,390,000 in Civic Facility Revenue Bonds for the benefit of Capitalize Albany Corporation (CAC), for construction relating to the Corning Preserve/Hudson Riverfront Development Project. The majority of the net proceeds of the Revenue Bonds were utilized to fund various improvements to the project site for recreational and entertainment uses. Concurrent with the issuance of the bonds, CAC and the Commission entered into a shared use and lease agreement, under which CAC leases the project to the Commission for a 30 year lease term. At the end of the lease term, in 2033, the agreement provides that the project improvements are owned by CAC. Accordingly, all current improvements made to the project by the Commission are expensed when incurred by the Commission.

Under the shared use and lease agreement, which is accounted for as a lease under GASB Statement No. 87, *Leases*, the Commission is obligated to fully fund CAC's obligations relating to the project, including the funding of installment payments sufficient to cover all related bond debt service and certain other contractual improvement and operating expenses. The AIDA/CAC bonds are 25 year variable rate demand obligations, currently bearing interest at approximately 2.06%, with rates established weekly by a remarketing agent. As such, the Commission's annual lease obligation will likely change on a year-to-year basis and, in an increasing interest rate environment, these changes may be material.

The bonds are secured by a letter of credit issued by Key Bank and guaranteed by the Commission. Under the letter of credit, any grant proceeds received for the project are required to reduce the outstanding bonds.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 9 — WATERFRONT DEVELOPMENT COSTS (Continued)

The lease liability related to the above agreement was included in lease liabilities on the statement of net position (see Note 6). The lease liability was recorded at the present value of the future minimum lease payments as of January 1, 2021, the implementation date of GASB 87, and measured at a rate of 0.23%, the rate on the related bonds at the time of implementation. There are no future maturities related to this lease liability as of December 31, 2024. The final payment of \$255,000 was made in 2024.

The bonds have no prepayment constraints and, as such, holders have the option to redeem bonds at any time. The letter of credit terms, as disclosed above, may also impact the Commission's annual lease obligation.

During 2025 and 2024, the Commission's project improvement costs and other operating expenses related to the waterfront development project approximated \$32,000 and \$35,000, respectively. These costs are included in the Commission's statements of revenues and expenses and changes in net position under waterfront development costs.

NOTE 10 — OFFSHORE WIND PROJECT

In March 2021, the Commission entered into a predevelopment funding agreement with Empire Offshore Wind LLC (Empire Wind). The predevelopment funding agreement provided initial funding of \$10,000,000 for predevelopment activities of site preparation and development of a manufacturing plant for an Offshore Wind Farm Project. In March 2022, the predevelopment funding agreement was amended to provide additional funding of up to approximately \$99,800,000. In May 2023, a second amendment to the predevelopment funding agreement provided for an increase to the additional funding from \$99,800,000 to up to approximately \$151,700,000.

Prior to January 31, 2025, the Commission was responsible for engaging all third-party vendors and consultants to provide or perform the services outlined in the agreement. Services included facilitating continuation of the Offshore Wind Project including due diligence, pre-construction, and site preparation services until definitive agreements were in place. Under this predevelopment funding agreement, all data and work products arising out of the services were owned by Empire Wind. All expenses incurred by the Commission to move the project forward were reimbursed by Empire Wind including administrative costs for internal time and expenses incurred by the Commission as manager of the project.

On January 31, 2025, the Commission and Empire Wind entered into a termination and release agreement, ending their previous agreement. As part of this agreement, Empire Wind contributed approximately \$8,134,000 to the Commission, bringing total funding under the agreement to approximately \$148,926,000 (approximately \$140,792,000 as of December 31, 2024). In 2025, the Commission recognized approximately \$19,737,000 in revenue and is included in other revenue in the statement of revenues and expenses and changes in net position. This is made up of the approximate \$8,134,000 payment and approximately \$11,603,000 that was previously deferred revenue as of December 31, 2024

All work products after the termination and release agreement are owned by the Commission. The Commission recognized construction in process additions of approximately \$11,938,000 relating to the project during 2025, which are included in net property and equipment in the statement of net position.

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Claims and Litigation

The Commission is a defendant in various claims, lawsuits and actions arising in the normal course of operations. In the opinion of the Commission's management, the ultimate amount of any liabilities which may be incurred in connection with the settlement of claims and litigation will not materially affect the Commission's financial condition.

Federal and State Grants

In 2025, the Commission completed a series of projects to finalize maritime infrastructure improvements which enhance the Port's heavy lift and project cargo handling capabilities. The total projects estimated cost was \$45,000,000. As part of the project, the Commission had secured federal grant funding of approximately \$17,630,000 and state grant funding of approximately \$23,000,000. Federal grant revenue of approximately \$17,430,000 has been earned to date. \$0 was earned in 2025 (approximately \$625,477 in 2024). State grant revenue of approximately \$22,929,000 has been earned to date. Approximately \$414,000 was earned in 2025 (\$15,000 earned in 2024). These grant revenues are included in capital grant funding in the statements of revenues and expenses and changes in net position.

The Commission was awarded a NYSDOT Grant in 2024 of \$9,907,703. This PFRAP (Passenger and Freight Rail Assistance Program) funding will be used to upgrade the Heavy Lift Wharf Deck and Rail to meet the increasing demands of freight and maritime cargo. Approximately \$300,000 of revenue relating to this grant has been earned to date. Approximately \$300,000 was earned in 2025 (\$0 earned in 2024). These grant revenues are included in capital grant funding in the statements of revenues and expenses and changes in net position.

The Commission's grants are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The Commission believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal. In the opinion of the Commission's management, all grant funds were expended in accordance with applicable terms.

NOTE 12 — RISKS AND UNCERTAINTIES

The Commission's operations are subject to various risks and uncertainties that could impact financial results and operational performance. These risks include fluctuations in global and domestic economic conditions, which may affect trade volumes, shipping activity, and overall demand for port services. Changes in tariffs, trade policies, and other regulatory or legislative actions could influence the movement of goods, impact key customers, and create uncertainty in long-term operational planning. Management continuously monitors these factors and evaluates strategies to mitigate potential adverse effects on the Commission's operations and financial position.

However, due to the inherent unpredictability of economic conditions and policy changes, the ultimate impact of these risks cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM

As of the measurement date of March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the net pension liability	0.0048610%	0.0045055%	0.0045154%	0.0041285%	0.0038313%	0.0043706%	0.0040079%	0.0040024%	0.003742%	0.0039534%
Commission's proportionate share of the net pension liability (asset)	\$ 833,448	\$ 663,385	\$ 968,275	\$ (337,487)	\$ 3,815	\$ 1,157,365	\$ 283,973	\$ 129,174	\$ 351,607	\$ 634,538
Commission's covered-employee payroll	\$ 1,564,244	\$ 1,337,513	\$ 1,282,754	\$ 1,195,880	\$ 1,161,335	\$ 1,134,059	\$ 1,015,123	\$ 1,024,804	\$ 997,333	\$ 1,000,106
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.28%	49.60%	75.48%	-28.22%	0.33%	102.06%	27.97%	12.60%	35.25%	63.45%
Plan fiduciary net position as a percentage of the total pension liability	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

**ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF COMMISSION CONTRIBUTIONS
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM**

March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 250,468	\$ 184,379	\$ 151,964	\$ 201,999	\$ 294,771	\$ 171,407	\$ 166,548	\$ 160,846	\$ 157,484	\$ 186,364
Contribution in relation to the contractually required contribution	<u>(250,468)</u>	<u>(184,379)</u>	<u>(151,964)</u>	<u>(201,999)</u>	<u>(294,771)</u>	<u>(171,407)</u>	<u>(166,548)</u>	<u>(160,846)</u>	<u>(157,484)</u>	<u>(186,364)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	<u>\$ 1,564,244</u>	<u>\$ 1,337,513</u>	<u>\$ 1,282,754</u>	<u>\$ 1,195,880</u>	<u>\$ 1,161,335</u>	<u>\$ 1,134,059</u>	<u>\$ 1,015,123</u>	<u>\$ 1,024,804</u>	<u>\$ 997,333</u>	<u>\$ 1,000,106</u>
Contributions as a percentage of covered-employee payroll	<u>16.01%</u>	<u>13.79%</u>	<u>11.85%</u>	<u>16.89%</u>	<u>25.38%</u>	<u>15.11%</u>	<u>16.41%</u>	<u>15.70%</u>	<u>15.79%</u>	<u>18.63%</u>

ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S TOTAL OPEB LIABILITY

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 265,885	\$ 265,885	\$ 172,783	\$ 172,783	\$ 181,102	\$ 139,111	\$ 97,120	\$ 92,495
Interest	181,277	131,414	137,909	77,876	90,781	113,649	110,729	113,950
Changes of benefit terms			-	-	-	-	-	-
Differences between expected and actual experience	(327,887)	(222,490)	-	84,151	-	97,674	-	(820,236)
Change of assumptions or other inputs	(1)	388,573	83,866	(259,273)	336,233	(257,320)	-	(597,433)
Benefit payments	<u>(129,875)</u>	<u>(172,995)</u>	<u>(154,589)</u>	<u>(142,810)</u>	<u>(178,639)</u>	<u>(155,522)</u>	<u>(132,409)</u>	<u>(128,005)</u>
Net change in total OPEB liability	(10,601)	390,387	239,969	(67,273)	429,477	(62,408)	75,440	(1,339,229)
Total OPEB liability - beginning	<u>\$ 4,242,109</u>	<u>3,851,722</u>	<u>3,611,753</u>	<u>3,679,026</u>	<u>3,249,549</u>	<u>3,311,957</u>	<u>3,236,517</u>	<u>4,575,746</u>
Total OPEB liability - ending	<u>\$ 4,231,508</u>	<u>\$ 4,242,109</u>	<u>\$ 3,851,722</u>	<u>\$ 3,611,753</u>	<u>\$ 3,679,026</u>	<u>\$ 3,249,549</u>	<u>\$ 3,311,957</u>	<u>\$ 3,236,517</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 7 to the financial statements.

SUPPLEMENTARY INFORMATION

ALBANY PORT DISTRICT COMMISSION
SCHEDULES OF PAYROLL AND RELATED COSTS AND
OTHER OPERATING EXPENSES
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
PAYROLL AND RELATED COSTS		
Administrative	\$ 1,147,726	\$ 1,106,101
Maintenance crews and supervisor	713,632	672,013
Security	493,391	442,780
Pension, health and other benefit costs	889,255	963,712
OPEB expense	319,439	306,854
Payroll taxes	<u>190,658</u>	<u>180,409</u>
Total payroll and related costs	<u><u>\$ 3,754,101</u></u>	<u><u>\$ 3,671,869</u></u>
OTHER OPERATING EXPENSES		
Security	\$ 43,962	\$ 48,247
Utilities	46,205	35,702
City water	16,212	5,849
Advertising and promotion	9,665	20,950
Office supplies and expenses	91,425	56,670
Equipment operating expense	20,381	11,578
Property rental	111,042	105,361
Other expenses	<u>126,276</u>	<u>92,499</u>
Total other operating expenses	<u><u>\$ 465,168</u></u>	<u><u>\$ 376,856</u></u>



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

To the Commissioners
Albany Port District Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Investment Guidelines for Public Authorities issued by the Office of the State Comptroller, State of New York, the financial statements of the Albany Port District Commission (the "Commission") as of and for the year ended December 31, 2025, and have issued our report thereon dated March 25, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, including Investment Guidelines for Public Authorities and the Commission's Investment Guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Albany, New York
March 25, 2026