

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 5 — PROPERTY AND EQUIPMENT (Continued)

At December 31, 2018 property and equipment is comprised of the following:

	<u>December 31</u> <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31</u> <u>2018</u>
Port marine facilities	\$ 96,819,089	\$ 5,632,601	\$ -	\$ 102,451,690
Transportation, equipment and furniture	1,494,225	37,114	47,251	1,484,088
Construction in process	<u>8,506,042</u>	<u>15,835,225</u>	<u>-</u>	<u>24,341,267</u>
Total	106,819,356	21,504,940	47,251	128,277,045
Less accumulated depreciation	<u>57,865,501</u>	<u>1,952,562</u>	<u>47,251</u>	<u>59,770,812</u>
Net property and equipment	<u>\$ 48,953,855</u>	<u>\$ 19,552,378</u>	<u>\$ -</u>	<u>\$ 68,506,233</u>

Depreciation expense was \$2,124,235 and \$1,952,562 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6 — LONG-TERM DEBT

Long-term debt is comprised of the following:

	<u>December 31</u> <u>2018</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Payments</u>	<u>December 31</u> <u>2019</u>
Bank of America master lease obligation	\$ 7,393,927	\$ -	\$ 1,188,439	\$ 6,205,488
Less current maturities	<u>1,188,439</u>			<u>1,353,597</u>
	<u>\$ 6,205,488</u>			<u>\$ 4,851,891</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 agreement requires monthly payments of approximately \$41,000, including interest at approximately 2.1%, with final maturity 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.

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

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 6 — LONG-TERM DEBT (Continued)

At December 31, 2019, long-term debt maturities were comprised of the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,353,597	\$ 178,737	\$ 1,532,334
2021	1,144,978	140,975	1,285,953
2022	929,659	109,911	1,039,570
2023	960,228	79,343	1,039,571
2024	991,843	47,726	1,039,569
thereafter	<u>825,183</u>	<u>19,268</u>	<u>844,451</u>
	<u>\$ 6,205,488</u>	<u>\$ 575,960</u>	<u>\$ 6,781,448</u>

Interest expense was \$214,274 and \$149,774 for 2019 and 2018, respectively.

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS

Introduction

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

No employee contribution is required for those hired prior to July 1976. The System requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined the System from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership in the System. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Commission to the pension accumulation fund. For 2019, these rates ranged from 9.3% - 19.6% for the Commission's active employees. Employee contributions are deducted from their salaries and remitted on a current basis to the System.