

OGDENSBURG BRIDGE AND PORT AUTHORITY

Financial Statements and Management's  
Discussion and Analysis

March 31, 2022 and 2021

(With Independent Auditors' Report Thereon)

# OGDENSBURG BRIDGE AND PORT AUTHORITY

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 8
Basic Financial Statements:	
Statements of Net Position	9 - 10
Statements of Revenue, Expenses and Changes in Net Position	11 - 12
Statements of Cash Flows	13 - 14
Notes to Financial Statements	15 - 39
Required Supplementary Information:	
Schedule of Changes in Authority's Total OPEB Liability and Related Ratios	40
Schedule of Authority's Proportionate Share of the Net Pension Liability	41
Schedule of Authority's Employer Pension Contributions	42
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	43 - 44
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	45 - 47
Schedule of Expenditures of Federal Awards	48
Notes to Schedule of Expenditures of Federal Awards	49
Schedule of Findings and Questioned Costs	50 - 52

## INDEPENDENT AUDITORS' REPORT

The Governing Board  
Ogdensburg Bridge and Port Authority:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Ogdensburg Bridge and Port Authority (the Authority), as of and for the years ended March 31, 2022 and 2021, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2022 and 2021, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Authority's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 29, 2022

# OGDENSBURG BRIDGE AND PORT AUTHORITY

## Management's Discussion and Analysis

March 31, 2022 and 2021

This annual report consists of three parts:

- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information

### MANAGEMENT DISCUSSION AND ANALYSIS

In 1950, Governor Thomas E. Dewey signed a bill (Article 3, Title 8) creating the Ogdensburg Bridge Authority. Legislation in 1958 (Article 6, Title 3) created the Ogdensburg Port Authority. The two Authorities were combined into the Ogdensburg Bridge and Port Authority (OPBA or the Authority) in 1961 (Article 3, Title 8). Today, the Authority manages \$107 million in assets including the following holdings:

- The Ogdensburg-Prescott International Bridge
- The Port of Ogdensburg
- The Ogdensburg International Airport
- The Ogdensburg Border Station
- Commerce Park Campus/Heavy Industrial Park (Foreign Trade Zone 118)
- New York and Ogdensburg Railway: a short-line railroad

Each entity operates according to the Authority's central mission:

*While remaining self-sustaining, the Authority creates sound economic business development through the promotion of buildings and river, road, rail, and air transportation. This is accomplished by providing exceptional customer service, safe and secure facilities, good environmental stewardship, and focused professionalism.*

The COVID-19 pandemic has impacted the OBPA in a variety of ways and varying levels of significance:

- The Ogdensburg-Prescott International Bridge provides a vital link to economic markets in the U.S. and Canada. In the year prior to the pandemic, the bridge handled in excess of 655,000 vehicles. During this past fiscal year, there has been a 78.84% drop in overall bridge traffic due to the border between the U.S. and Canada closed to all but essential and commercial traffic. With commercial traffic still allowed, truck crossing suffered the least with a reduction of only 8.10% compared to last year. The Authority received a Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant for repair work to the Ogdensburg-Prescott International Bridge. The TIGER Grant Funds, additional funding from the National Highway Freight Program (NHFP) funds, and New York State (NYS) funds to match the TIGER and NHFP funds will address paint deterioration that causes corrosion on the bridge and will replace the lead-based paint protection system on the steel girder spans with a more environmentally friendly zinc-based paint system. Further, the funding will allow for the replacement of the bridge decking on six spans of the U.S. bridge approach. These

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Management's Discussion and Analysis, Continued

improvements have been continuing uninterrupted during the pandemic. This is a beginning step as the bridge still requires over \$100 million in critical capital rehabilitation funds in order to secure its future and the continued support of the regional economy. The Authority continues to advocate with state and federal officials to acquire the funding for the rehabilitation.

- The Port of Ogdensburg (the Port) continues to handle the inflow of products to the region. Grain and salt shipments; and storage of these commodities have remained strong during this past year. In conjunction with the Port's private partner, Ogdensburg Marketing and Logistics Company, a Wind Turbine Project was undertaken during the 2020-2021 fiscal year. Funding has been obtained for a harbor deepening and dock wall expansion projects.
- The Ogdensburg International Airport (OGS) has seen the departure of its low-cost carrier service which had provided increased economic opportunities for the region and new destinations for travelers. With the pandemic, the carrier did not feel that the current climate or short-term recovery would draw enough travelers to allow the carrier to remain. SkyWest Airlines was awarded a three-year contract to bring Essential Air Service (EAS) to OGS. Two flights per day bring travelers to Washington Dulles Airport where over 70 airlines offer domestic and international flights to travelers. Discussions are underway to have a second airline positioned to serve Ogdensburg when travel restrictions from the pandemic are lifted. Upgrades to OGS: runway expansion allowing larger A320 aircraft, the AWOS System (weather observation system) allowing for better flight information, and the current runway lighting upgrade are positioning the airport for recovery and resurgence post pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) included funds to be awarded to eligible U.S. airports as economic relief. These funds have been made available to keep "airports in reliable and safe operation to serve the aviation industry, the travelling public, and support the economy" (U.S. Department of Transportation/Federal Aviation Administration). OGS was awarded funds from the CARES Act to continue airport operations. Through the reimbursement plan, OGS has been able to address its normal operations and the added cleaning/disinfecting required to have a safe environment for passengers and airport staff.

- The Commerce Park Campus has remained at capacity during the COVID-19 pandemic. While a couple of tenants requested deferments on rent during the peak of the pandemic, all rents have been made current and lease renewals have not suffered.
- New York and Ogdensburg Railway shipments have grown by 4% providing service from the Port to the greater North Country region and beyond. Railway traffic increases can be attributed to both volume growth from existing clients and new accounts to the rail line. Funding has been obtained to complete bridge repairs in order for the railway to remain commercially competitive.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Management's Discussion and Analysis, Continued

OUTLOOK

Future job creation through the use of Authority assets and financial stability will remain the driving focus of the Authority.

Jobs create economic growth, increased relevance, and expansion of key partnerships. Capitalizing on anticipated airport growth with a new and innovative approach is essential. OBPA's partnership with the Ogdensburg Marketing and Logistics Company will continue to open new opportunities for the Authority at the Marine Terminal. Additional public-private partnerships will be pursued where suitable to directly create private sector jobs.

Accounting management and increased Finance Committee engagement continues as lack of resources threaten overall visions. As the Authority's reserves were intentionally depleted in support of the airport expansion project at OGS, it remains a priority of the Authority to regain a solid financial footing; and to continue its capital projects which can both offer employment to the residents of the North Country area and bring services to the area.

COVID-19 has compromised plans to increase revenue from bridge traffic and airport utilization in the short term. The opening of the border, and relaxing and/or lifting of travel restrictions will have a direct impact on the future revenue of the bridge and the airport.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to served as an introduction to the Authority's basic financial statements. The basic financial statements consist of four components:

- Statements of Net Position
- Statements of Revenue, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to Financial Statements

The *Statements of Net Position* presents information on all of the Authority's assets, deferred outflows, liabilities and deferred inflows at a certain date, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statements of Revenue, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during a period of time. These changes are recorded on the accrual basis of accounting, as more fully described in the notes to financial statements.

The *Statements of Cash Flows* reconciles the Authority's operating loss as reported on the accrual basis of accounting with the net cash provided by (used in) operating, non-capital financing, capital financing, and investing activities.

The *Notes to Financial Statements* provide additional information that is an integral part of the financial statements taken as a whole.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS

Net Position, over time, may serve as a useful indicator of the Authority's financial position. As of March 31, 2022 and 2021, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,004,835 and \$62,903,984, respectively.

The Authority's financial position is the product of several financial transactions including the net results of activities, the valuation of certain assets and liabilities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the Authority's financial position as of March 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 7,643,735	1,146,622	704,262
Capital assets (net of depreciation)	99,147,504	95,332,430	85,552,192
Other noncurrent assets	<u>1,074,307</u>	<u>841,049</u>	<u>854,402</u>
Total assets	<u>107,865,546</u>	<u>97,320,101</u>	<u>87,110,856</u>
Deferred outflows of resources	<u>2,039,205</u>	<u>1,492,959</u>	<u>650,570</u>
Current liabilities	9,499,493	4,475,528	4,120,256
Noncurrent liabilities	<u>28,442,897</u>	<u>31,330,443</u>	<u>30,477,765</u>
Total liabilities	<u>37,942,390</u>	<u>35,805,971</u>	<u>34,598,021</u>
Deferred inflows of resources	<u>2,957,526</u>	<u>103,105</u>	<u>228,438</u>
Net position	\$ <u>69,004,835</u>	<u>62,903,984</u>	<u>52,934,967</u>

Changes in the Authority's net position can be determined by reviewing the following condensed Statements of Revenue, Expenses and Changes in Net Position for the years ended March 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue	\$ 5,894,694	5,997,734	7,720,374
Operating expenses	<u>9,736,039</u>	<u>11,285,919</u>	<u>10,521,195</u>
Operating loss	(3,841,345)	(5,288,185)	(2,800,821)
Nonoperating income (expense)	<u>9,942,196</u>	<u>15,257,202</u>	<u>(472,881)</u>
Change in net position	6,100,851	9,969,017	(3,273,702)
Net position at beginning of year	<u>62,903,984</u>	<u>52,934,967</u>	<u>56,208,669</u>
Net position at end of year	\$ <u>69,004,835</u>	<u>62,903,984</u>	<u>52,934,967</u>

## OGDENSBURG BRIDGE AND PORT AUTHORITY

### Management's Discussion and Analysis, Continued

Operating revenue in fiscal year 2021-2022 decreased 2%, enhanced by the decrease in bridge traffic. Operating revenues in fiscal year 2020 - 2021 decreased 22%. Operating expenditures in fiscal year 2021 - 2022 decreased 14% primarily attributed to an increase in professional fees and marketing whereas operating expenditures increased 7% in 2020 - 2021. Nonoperating expenses increased significantly due to recording the return of funds to New York State Department of Transportation that were intended for the harbor deepening project.

#### CAPITAL ASSETS

The following table is an analysis of the Authority's capital assets as of March 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Original cost	\$ 165,488,019	145,221,437	144,895,365
Less accumulated depreciation	<u>(70,569,803)</u>	<u>(66,010,509)</u>	<u>(61,704,220)</u>
	94,918,216	79,210,928	83,191,145
Construction in progress	<u>4,229,288</u>	<u>16,121,502</u>	<u>2,361,047</u>
Total capital assets	\$ <u>99,147,504</u>	<u>95,332,430</u>	<u>85,552,192</u>

#### LONG-TERM DEBT

The following table is an analysis of long-term debt as of March 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Advances due to State of New York	\$ 18,629,974	18,629,974	18,629,974
Bonds payable	5,996,423	6,089,118	6,176,813
Notes payable	3,678,576	3,804,783	4,027,674
Lease purchase agreement	8,271	39,920	156,264
Postemployment benefits other than pensions	1,351,912	2,187,156	2,070,173
Net pension liability	7,360	1,621,056	441,587
Lease and escrow deposits	<u>137,151</u>	<u>157,587</u>	<u>160,326</u>
	29,809,667	32,529,594	31,662,811
Less current portion	<u>(1,366,770)</u>	<u>(1,199,151)</u>	<u>(1,185,046)</u>
Total long-term debt	\$ <u>28,442,897</u>	<u>31,330,443</u>	<u>30,477,765</u>

#### CONTACT INFORMATION

This financial report is designed to provide the reader with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ogdensburg Bridge and Authority at One Bridge Plaza, Ogdensburg, New York 13669.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
 Statements of Net Position  
 March 31, 2022 and 2021

<u>Assets and Deferred Outflows of Resources</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and equivalents	\$ 517,881	717,090
Accounts receivable	995,794	170,735
Grants receivable	6,028,642	187,032
Inventories	69,827	50,510
Prepaid expenses	<u>31,591</u>	<u>21,255</u>
Total current assets	<u>7,643,735</u>	<u>1,146,622</u>
Noncurrent assets:		
Compensating balance	353,303	124,581
Security deposits	7,369	5,431
Bond payment reserve	213,819	211,280
Debt service reserve	499,816	499,757
Capital assets, net of accumulated depreciation	<u>99,147,504</u>	<u>95,332,430</u>
Total noncurrent assets	<u>100,221,811</u>	<u>96,173,479</u>
Total assets	<u>107,865,546</u>	<u>97,320,101</u>
Deferred outflows of resources		
Pension	1,890,950	1,326,017
OPEB	<u>148,255</u>	<u>166,942</u>
Total deferred outflows of resources	<u>2,039,205</u>	<u>1,492,959</u>

(Continued)

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Statements of Net Position, Continued

<u>Liabilities, Deferred Inflows of Resources and Net Position</u>	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,076,406	1,700,467
Accrued interest	99,120	98,731
Line of credit	835,173	978,676
Accrued vacation compensation	122,024	132,958
Promissory note - Paycheck Protection Program	-	365,545
Current portion of due to State of New York	600,000	525,000
Current portion of bonds payable	97,695	92,695
Current portion of notes payable	660,804	549,388
Current portion of lease/purchase agreement	<u>8,271</u>	<u>32,068</u>
Total current liabilities	<u>9,499,493</u>	<u>4,475,528</u>
Noncurrent liabilities:		
Lease and escrow deposits	137,151	157,587
Postemployment benefits other than pensions	1,351,912	2,187,156
Net pension liability - proportionate share	7,360	1,621,056
Due to State of New York, excluding current portion	18,029,974	18,104,974
Bonds payable, excluding current portion	5,898,728	5,996,423
Notes payable, excluding current portion	3,017,772	3,255,395
Lease purchase agreement, excluding current portion	<u>-</u>	<u>7,852</u>
Total noncurrent liabilities	<u>28,442,897</u>	<u>31,330,443</u>
Total liabilities	<u>37,942,390</u>	<u>35,805,971</u>
Deferred inflows of resources:		
Pension	2,151,874	35,205
OPEB	<u>805,652</u>	<u>67,900</u>
Total deferred inflows of resources	<u>2,957,526</u>	<u>103,105</u>
Net Position:		
Net investment in capital assets	69,999,087	65,789,960
Restricted	1,066,938	835,618
Unrestricted (deficit)	<u>(2,061,190)</u>	<u>(3,721,594)</u>
Total net position	<u>\$ 69,004,835</u>	<u>62,903,984</u>

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Bridge tolls	\$ 1,250,629	946,927
Rentals	2,720,006	2,435,340
Port operating fees	1,403,464	2,174,403
Parking revenue	82,733	8,195
Airport fees and services	355,807	316,750
Construction projects	4,629	4,145
Miscellaneous	<u>77,426</u>	<u>111,974</u>
Total operating revenue	<u>5,894,694</u>	<u>5,997,734</u>
Operating expenses:		
Salaries and wages	1,819,342	2,149,692
Payroll taxes and benefits	875,774	1,519,613
Automotive	113,673	49,038
Building and grounds maintenance	216,020	218,306
Equipment repairs and maintenance	206,536	217,257
Fuel and utilities	245,960	256,389
Parking lot operations	158,902	134,610
Security	237,471	169,764
Insurance	320,648	364,959
Telephone and postage	38,558	39,346
Advertising	224,128	179,155
Professional fees	588,436	916,456
Depreciation	4,559,294	4,343,945
Office supplies	17,669	10,919
Subscriptions and dues	1,774	2,409
Travel and meetings	2,977	4,550
Specialized handling equipment expense	-	498,338
Miscellaneous	<u>108,877</u>	<u>211,173</u>
Total operating expenses	<u>9,736,039</u>	<u>11,285,919</u>
Operating loss	<u>(3,841,345)</u>	<u>(5,288,185)</u>

(Continued)

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Statements of Revenue, Expenses and Changes in Net Position, Continued

	<u>2022</u>	<u>2021</u>
Nonoperating income (expense):		
Federal and State grants	\$ 14,455,968	13,782,882
CARES Act - airport grants	1,678,500	1,694,865
Grant income - PPP forgiveness	365,545	430,093
Gain on sale of assets	115,884	-
Interest income	52	57
Loss on foreign currency exchange	(37,336)	(28,926)
Return of NYS Department of Transportation grant funds	(6,021,000)	-
Interest expense	<u>(615,417)</u>	<u>(621,769)</u>
Total non-operating income (expense)	<u>9,942,196</u>	<u>15,257,202</u>
Change in net position	6,100,851	9,969,017
Net position at beginning of year	<u>62,903,984</u>	<u>52,934,967</u>
Net position at end of year	<u>\$ 69,004,835</u>	<u>62,903,984</u>

See accompanying notes to financial statements.

**OGDENSBURG BRIDGE AND PORT AUTHORITY**  
**Statements of Cash Flows**  
**Years ended March 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Receipts from customers	\$ 5,718,549	6,010,693
Payments to employees	(1,964,702)	(1,691,348)
Other payments	<u>(4,038,456)</u>	<u>(4,970,624)</u>
Net cash used in operating activities	<u>(284,609)</u>	<u>(651,279)</u>
Cash flows from capital financing activities:		
Principal paid on capital debt	(250,551)	(426,931)
Bond payment reserve	(2,539)	(6,708)
Debt service reserve	(59)	(52)
Capital expenditures	(8,374,368)	(14,124,183)
Federal and State grants	7,943,070	13,870,759
Proceeds from promissory note - paycheck protection program	-	795,638
Compensating balance	(228,722)	23,689
Interest paid on capital debt	(615,028)	(618,233)
Line of credit	<u>(143,503)</u>	<u>63,552</u>
Net cash used in capital financing activities	<u>(1,671,700)</u>	<u>(422,469)</u>
Cash flows from investing activities:		
Interest income	52	57
Gain on sale of land	115,884	-
Loss on foreign currency exchange	(37,336)	(28,926)
Proceeds from CARES Act - airport grants	<u>1,678,500</u>	<u>1,694,865</u>
Net cash provided by investing activities	<u>1,757,100</u>	<u>1,665,996</u>
Net change in cash and equivalents	(199,209)	592,248
Cash and equivalents at beginning of year	<u>717,090</u>	<u>124,842</u>
Cash and equivalents at end of year	<u>\$ 517,881</u>	<u>717,090</u>

(Continued)

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Statements of Cash Flows, Continued

	<u>2022</u>	<u>2021</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (3,841,345)	(5,288,185)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	4,559,294	4,343,945
Changes in:		
Accounts receivable	(153,771)	19,274
Inventories	(19,317)	(15,435)
Prepaid expenses	(10,336)	58,172
Deferred outflows of resources - pension	(22,374)	(780,944)
Accounts payable and accrued expenses	(564,933)	(91,465)
Security deposits	(655,995)	(6,315)
Net pension liability - proportionate share	(1,613,696)	1,179,469
Deferred inflows of resources - pension	2,116,669	(112,270)
Other postemployment benefits, net cumulative effect	<u>(78,805)</u>	<u>42,475</u>
Net cash used in operating activities	<u>\$ (284,609)</u>	<u>(651,279)</u>

See accompanying notes to financial statements.

# OGDENSBURG BRIDGE AND PORT AUTHORITY

## Notes to Financial Statements

March 31, 2022 and 2021

### (1) Organization

The Ogdensburg Bridge and Port Authority (the Authority) was created pursuant to the Public Authorities Law of the State of New York (the State) by an enactment entitled “Ogdensburg Bridge Authority Act,” on April 18, 1950. The name of the Authority was amended from “Ogdensburg Bridge Authority” to “Ogdensburg Bridge and Port Authority” on April 1, 1960. The Authority is a component unit of the State.

The Authority was created for the purpose of constructing, operating and maintaining the international bridge across the St. Lawrence River. The operations of the bridge are accounted for in the Bridge Fund. The Port Fund operations of the Authority consist of the Ogdensburg International Airport, Port of Ogdensburg, New York and Ogdensburg Railway, and an industrial park all of which are accounted for as separate units within that fund.

The reporting entity of the Authority is based on criteria set forth by Governmental Accounting Standards Board (GASB) Statement 14 - “The Financial Reporting Entity.” The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The accompanying financial statements present the activities of the Authority and its component unit, the Ogdensburg Border Station, Inc. (the Border Station). The decision to include a potential component unit in the Authority’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the following is a brief description of the component unit included in the Authority’s reporting entity.

- Blended Component Unit

Ogdensburg Border Station, Inc. - The Border Station was created as a local development company for the purpose of constructing a new border station for the U.S. Customs and to issue taxable revenue bonds for financing the cost. The governing body of the Authority is the same as the governing body of the Border Station. During the year ended March 31, 2020 the Border Station transferred all net position to the Authority.

## OGDENSBURG BRIDGE AND PORT AUTHORITY

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

##### (a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

##### (b) Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP for government entities as prescribed by the GASB as a proprietary fund.

##### (c) Operating Measure

Operating income reported in the financial statements includes revenue and expenses related to the primary continuing operations of the fund. Principal operating revenue include bridge tolls, airport operating fees, building rentals and port operating fees. Principal operating expenses include the costs of providing these services, administrative expenses and depreciation of capital assets. Other revenue and expenses are classified as non-operating in the financial statements.

##### (d) Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### (e) Cash and Equivalents

For purposes of reporting cash flows, cash and equivalents includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

##### (f) Investments

The investment policy of the Authority stipulates that the Authority may invest in obligations of the State, the United States government, repurchase agreements, or money market deposit accounts. Repurchase agreements must be collateralized by obligations guaranteed by the United States government, which are equal in value to the repurchase agreement. The agreements shall not exceed sixty days and payment shall be made only upon delivery of collateral to the Authority's agent. All investments and related collateral are held by the Authority's agent in the Authority's name.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Receivables

Accounts receivable are stated at net estimated realizable value by writing off bad debts as they are determined to be uncollectible. An allowance for bad debts is not considered material; accordingly, no allowance is maintained.

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

(h) Inventories

Inventories are stated at cost on the first-in, first-out method.

(i) Prepaid Expenses

Expenses paid in advance of the period to be benefited are recorded as an asset and are expensed over the period of time to be benefited.

(j) Capital Assets

Investments in capital assets are stated at cost. Expenditures for maintenance, repairs, renewals, and improvements, which do not materially extend the useful lives of the assets, are charged to operations when incurred. Infrastructure assets, such as roads and bridges, are recorded at cost and depreciated over their estimated useful lives. Grants received from other governmental agencies to partially finance capital projects are shown as grant income and are not offset against the cost of the facilities. Donated facilities are shown at estimated fair market value at the date of acquisition. Effective for the year ended March 31, 2002, the Authority changed its depreciation policy to record depreciation on infrastructure assets in order to conform with the provisions of GASB Statement No. 34. The Authority's capital asset policy defines capitalization of an expenditure when the dollar amount exceeds \$2,500.

The straight-line method of depreciation is generally used for capital assets, based on their estimated useful lives. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	20 - 50 years
Improvements/infrastructure	10 - 50 years
Bridge	50 - 100 years
Vehicles and equipment	3 - 20 years

(k) Real Estate Sales

The Authority accounts for real estate sales under the accrual method when certain criteria are met. Under the accrual method, profit or loss is recognized when a sale transaction has been consummated.

(l) Foreign Currency Translation

The Authority translates Canadian assets and liabilities to U.S. currency at rates of exchange in effect at the financial statement date. Expense items are translated at average exchange rates prevailing during the reporting period. Revenue is converted on a daily basis.

## OGDENSBURG BRIDGE AND PORT AUTHORITY

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (m) Retirement Benefits

The Authority provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State and Local Employees' Retirement System (the System). The System provides various plans and options, some of which require employee contributions.

##### (n) Compensated Absences

Union employees and management/confidential employees are allowed to accumulate earned sick time up to a maximum of 160 days and 200 days, respectively. Vacation time earned as of an employee's anniversary date in excess of 30 days may not be carried forward. Upon termination, unused sick leave may be credited toward retirement and/or health benefits, while vacation time accumulated up to 30 days will be paid to the employee.

As of March 31, 2022 and 2021, the liabilities for accrued vacation leave amounted to \$122,024 and \$132,958, respectively.

##### (o) Postemployment Benefits Other Than Pensions (OPEB)

In addition to providing the retirement benefits described in note 2(m), the Authority provides postemployment health insurance coverage to its retired employees and their survivors. The payment of this benefit is not governed by any employment contract and is done at the discretion of the members of the Board of the Authority.

The Authority pays a substantial portion of the cost of premiums to an insurance company which provides health care insurance. The Authority will pay 75% of health insurance premiums for future retirees with 20 years of active service until age 65. At that time, the retiree becomes responsible for the entire premium cost and the Authority will not reimburse retirees for the cost of Medicare.

The Authority also provides Medicare Part B reimbursement coverage for eligible retired employees.

##### (p) Unearned Revenue and Revenue Recognition

The Authority recognizes revenue when earned. Revenue associated with cash receipts received in advance from rental operations is deferred until the month they are earned.

##### (q) Advertising Costs

Advertising costs are charged to operations when incurred and amounted to \$224,128 and \$179,155 for the years ended March 31, 2022 and 2021, respectively.

##### (r) Pollution Remediation Obligations

In accordance with the GASB Statement No. 49 - "Accounting and Financial Reporting for Pollution Remediation Obligations," management has concluded that no obligating event has occurred that would require recognition of a future pollution remediation obligation in the accompanying financial statements.

## OGDENSBURG BRIDGE AND PORT AUTHORITY

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (s) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has three items that qualify for reporting in this category. The first item is related to the pension reported in the statements of net position. This represents the effect of the net change in the Authority's proportion of the collective net pension asset or liability and difference during the measurement period between the Authority's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is the Authority contributions to the pension system subsequent to the measurement date. The third item is for OPEB and relates to the estimated net contributions subsequent to the measurement date as well as changes of assumptions.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualifies for reporting in this category. This item is related to the pension and represents changes in the Authority's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Authority's contributions and its proportion share of total contributions to the pension system not included in pension expense. For OPEB, the Authority has two items that qualify for reporting on this category; the first represents the difference between actual and expected experience, and the second represents the changes of assumptions or other inputs.

##### (t) Future Impacts of Accounting Pronouncements

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(t) Future Impacts of Accounting Pronouncements, Continued

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 30, 2023.

(u) Subsequent Events

The Authority has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(v) Risks and Uncertainty

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Authority and its future results and financial position is not presently determinable.

(3) Cash and Investments

The Authority's investment policies are governed by State statutes. In addition, the Authority has its own written investment policy. The Authority's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The chief financial officer is authorized to use demand and time accounts and certificates of deposit. Permissible instruments include U.S. treasury bills. Collateral is required for demand and time deposits and certificates of deposit for all deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Deposits are valued at cost or cost plus interest and are categorized as either: (1) insured, (2) held by the financial institution's trust department or agency in the Authority's name, or (3) uncollateralized.

Total financial institution (bank) balances at March 31, 2022 and 2021 were \$1,635,437 and \$1,572,163, respectively. These deposits are categorized as follows:

	<u>1</u>	<u>2</u>	<u>3</u>
2022	\$ <u>500,000</u>	<u>676,748</u>	<u>458,689</u>
2021	\$ <u>500,000</u>	<u>427,360</u>	<u>644,803</u>

In compliance with State regulations for bridge and port authorities, the expenditure of revenue must be authorized by the Comptroller of the State. As of March 31, 2022 and 2021, the Authority had \$174,951 and \$204,718, respectively, in demand deposit accounts subject to State authorization. In addition, the Authority was authorized to establish revolving checking and savings accounts to enable the Authority to process its own checks subject to post audit by the State. As of March 31, 2022 and 2021, the Authority had \$54,037 and \$24,680, respectively, in revolving checking and savings accounts for this purpose.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(3) Cash and Investments, Continued

The bond payment reserve represents funds held in a separate deposit account in the custody of the trustee of the Series 2017 bonds in the amount of \$213,819 and \$211,280 as of March 31, 2022 and 2021, respectively.

The debt service reserve represents funds in a separate deposit account in the custody of the trustee of the Series 2017 bonds in the amount of \$499,816 and \$499,757 as of March 31, 2022 and 2021, respectively.

(4) Capital Assets

Capital assets for the years ended March 31, 2022 and 2021 were as follows:

	Balance at April 1, <u>2021</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2022</u>
Capital assets, not being depreciated:				
Land	\$ 4,151,803	-	(4,115)	4,147,688
Construction in progress	<u>16,121,502</u>	<u>14,322,153</u>	<u>(26,214,367)</u>	<u>4,229,288</u>
Total capital assets not being depreciated	<u>20,273,305</u>	<u>14,322,153</u>	<u>(26,218,482)</u>	<u>8,376,976</u>
Capital assets, being depreciated:				
Land improvements	42,526,965	-	-	42,526,965
Buildings	89,277,646	19,458,325	(24,500)	108,711,471
Machinery and equipment	<u>9,265,023</u>	<u>836,872</u>	<u>-</u>	<u>10,101,895</u>
Total capital assets being depreciated	<u>141,069,634</u>	<u>20,295,197</u>	<u>(24,500)</u>	<u>161,340,331</u>
Less accumulated depreciation for:				
Land improvements	(15,728,879)	(1,783,159)	-	(17,512,038)
Buildings	(43,284,447)	(2,213,845)	-	(45,498,292)
Machinery and equipment	<u>(6,997,183)</u>	<u>(562,290)</u>	<u>-</u>	<u>(7,559,473)</u>
Total accumulated depreciation	<u>(66,010,509)</u>	<u>(4,559,294)</u>	<u>-</u>	<u>(70,569,803)</u>
Total capital assets, being depreciated, net	<u>75,059,125</u>	<u>15,735,903</u>	<u>(24,500)</u>	<u>90,770,528</u>
Total capital assets, net	<u>\$ 95,332,430</u>	<u>30,058,056</u>	<u>(26,242,982)</u>	<u>99,147,504</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

	Balance at April 1, <u>2020</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2021</u>
Capital assets, not being depreciated:				
Land	\$ 4,151,803	-	-	4,151,803
Construction in progress	<u>2,361,047</u>	<u>13,760,455</u>	-	<u>16,121,502</u>
Total capital assets not being depreciated	<u>6,512,850</u>	<u>13,760,455</u>	-	<u>20,273,305</u>
Capital assets, being depreciated:				
Land improvements	42,526,965	-	-	42,526,965
Buildings	89,277,646	-	-	89,277,646
Machinery and equipment	<u>8,938,951</u>	<u>363,728</u>	<u>(37,656)</u>	<u>9,265,023</u>
Total capital assets being depreciated	<u>140,743,562</u>	<u>363,728</u>	<u>(37,656)</u>	<u>141,069,634</u>
Less accumulated depreciation for:				
Land improvements	(13,945,167)	(1,783,712)	-	(15,728,879)
Buildings	(41,068,459)	(2,215,988)	-	(43,284,447)
Machinery and equipment	<u>(6,690,594)</u>	<u>(344,245)</u>	<u>37,656</u>	<u>(6,997,183)</u>
Total accumulated depreciation	<u>(61,704,220)</u>	<u>(4,343,945)</u>	<u>37,656</u>	<u>(66,010,509)</u>
Total capital assets, being depreciated, net	<u>79,039,342</u>	<u>(3,980,217)</u>	-	<u>75,059,125</u>
Total capital assets, net	<u>\$ 85,552,192</u>	<u>9,780,238</u>	-	<u>95,332,430</u>

(5) Donated Property

On January 31, 2011, the Authority received title to a building from Sanmina-SCI Corporation in partial satisfaction of a lease termination fee. The building was recorded at its estimated fair value of \$750,000, as determined by an independent appraisal and the Authority on the date of transfer.

On December 26, 1974, the Authority received from the St. Regis Paper Company, all of the line of railroad extending from Norwood, New York to Waddington, New York, known as the Norwood & St. Lawrence Railroad, and its related assets. The railroad was recorded at its estimated fair value as determined by the Authority on the date of transfer, of \$783,022, which was the original cost on the books of St. Regis Paper Company.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(6) Construction in Progress

Construction in progress at March 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Marine harbor deepening project	\$ 1,421,796	7,423,151
Airport lighting system	1,860,034	379,051
Airport master plan	216,507	192,690
Airport water project	214,712	208,796
Railroad bridge rehabilitation	100,004	70,568
Industrial park building improvements	-	1,427
Bridge painting project	-	7,598,786
Airport drainage project	<u>416,235</u>	<u>247,033</u>
	<u>\$ 4,229,288</u>	<u>16,121,502</u>

Construction in progress previously recorded \$6,021,000 as a payment to the United States Army Corps of Engineers as an advance for the harbor deepening project. At March 31, 2022 a receivable from the United States Army Corps of Engineers has been recorded due to the project being suspended.

(7) Line of Credit

Effective December 31, 2017 the Authority entered into a line of credit agreement providing available borrowings of \$1,000,000 for specific capital projects. Outstanding borrowings bear interest at 3.1875% and are collateralized by the Authority's assets. The total amount outstanding at March 31, 2022 and 2021 for this agreement was \$220,000 and \$480,000, respectively.

Effective May 17, 2018 the Authority entered into a line of credit agreement providing available borrowings of \$500,000 to provide working capital for a wind turbine project. Outstanding borrowings bear interest at 5.25% and are collateralized by the Authority's assets. The total amount outstanding at March 31, 2021 for this agreement was \$498,676. This line of credit was converted in 2022 to five year note payable with an interest rate of 5.25% payable in monthly payments of \$9,486.

Effective December 22, 2020 the Authority entered into a line of credit agreement providing available borrowings up to \$2,000,000 to provide working capital for the bridge painting project. Outstanding borrowings bear interest at 4.375% and are not collateralized. The Authority does not have direct access to the line of credit. The Authority submits documentation to the bank who in turn makes a payment directly to the vendor. Simultaneously, documentation is also submitted to the State for direct reimbursement. At March 31, 2022 the outstanding balance on the line of credit was \$615,173. There was no outstanding balance at March 31, 2021.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(8) Long-Term Debt

(a) Due to State of New York for First Instance Advances

<u>Appropriations</u>	<u>Amount appropriated</u>	<u>Amount advanced</u>	<u>Amount repaid</u>	<u>Amount due</u>
Chapter 864-1956	\$ 15,000,000	15,006,084	3,650,925	11,355,159
Chapter 218-1958	<u>7,000,000</u>	<u>6,690,717</u>	<u>100,000</u>	<u>6,590,717</u>
	<u>\$ 22,000,000</u>	<u>21,696,801</u>	<u>3,750,925</u>	17,945,876
Add - New York State Auditor's adjustment in 1974 to record first instance advances to finance port terminal construction cost				<u>684,098</u>
Amount due New York State at March 31, 2022 and 2021				\$ <u>18,629,974</u>

The original debt repayment agreement with the State provided for the payment of net revenue to the State when monies exceed the sum of \$250,000 and \$200,000 in the Bridge and Port Fund comptroller's cash accounts, respectively. Transfer of monies from the Bridge Fund to the Port Fund is taken into consideration in determining this amount.

The Authority and the Director of the Budget of the State (Director) entered into a new agreement during the fiscal year ended March 30, 1980, which increased the dollar limits to \$400,000 in the Bridge Fund and \$250,000 in the Port Fund. At such time monies held in these funds exceeded these limits, the excess was to be deposited into a capital construction fund in the State Comptroller's custody. The agreement also provided for an annual repayment, commencing July 1, 1979, of 50% of gross annual revenue less annual expenditures approved by the Director for the preceding fiscal year of the Authority as so certified by an external audit, provided however, that the minimum annual repayment could not be less than \$50,000. This agreement expired on March 31, 1990.

A first supplemental agreement was executed on February 25, 1986, which allowed the Authority to establish a capital improvement account not to exceed \$500,000 in the maintenance undistributed item of both the Bridge Fund and Port Fund budgets. The monies in these accounts could not be considered when computing the amounts of money in either fund.

A second supplemental agreement was entered into on May 29, 1995 with the Director. This agreement superseded all prior agreements with the State and provided that the Authority was to repay the State an amount of \$150,000 on March 31, 1996 and 1997, and \$75,000 each year beginning in March 1998 through 2005. This agreement was considered effective for the period April 1, 1990 through March 31, 2005.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(8) Long-Term Debt, Continued

(a) Due to State of New York for First Instance Advances, Continued

The agreement provided that in addition to the fixed repayment amounts, the Authority was to pay all monies held in the Bridge Fund in excess of \$750,000, provided however, that monies in the bridge economic development account/capital improvement account up to \$850,000 and the monies in the bridge revolving fund up to \$320,000 were not to be considered. Also, monies held in the Port Fund in excess of \$750,000 were to be paid to the State, provided however, that monies in the port economic development account/capital improvement account up to \$850,000 and that monies in the port revolving fund up to \$300,000 were not to be considered. As of March 31, 2009, the Authority had not exceeded these cash limits and consequently no additional debt payment was required.

A third supplemental agreement was entered into during the year ended March 31, 2004 which provided for annual payments of \$75,000 for the years ending March 31, 2004 through March 31, 2009 and provided an emergency deferral of any payment due in the event the Authority encounters extraordinary financial circumstances.

The State approved the Authority's request for a loan repayment forbearance on the annual \$75,000 payments that were due on March 31, 2004, 2005 and 2006 pursuant to the repayment agreement, to allow the Authority to build up its revenue base and make overdue capital investments. The \$75,000 payments that were due on March 31, 2007, 2008 and 2009 were made by the Authority.

A fourth supplemental agreement was entered into which provides for annual payments of \$75,000 for the years ending March 31, 2010 through March 31, 2014, and provides an emergency waiver of any payment due in the event the Authority encounters extraordinary financial circumstances.

A fifth supplemental agreement was entered into in May of 2017 in connection with improvements to the Authority's airport facilities and the 2017 bond issuance. The fifth supplemental agreement provides for annual payments of \$75,000 by March 1<sup>st</sup> of each year. In the event that the Authority shall encounter extraordinary financial circumstances, the Authority may request emergency deferral of the payment due. At March 31, 2022 and 2021, \$600,000 and \$525,000, respectively, was deferred.

(b) Total Due to State of New York

	<u>2022</u>	<u>2021</u>
Amount due New York State - First Instance Advances	\$ 18,629,974	18,629,974
Less current portion	<u>(600,000)</u>	<u>(525,000)</u>
Total due to State of New York, excluding current portion	\$ <u>18,029,974</u>	<u>18,104,974</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(8) Long-Term Debt, Continued

(c) Bonds Payable

	<u>2022</u>	<u>2021</u>
The Authority issued tax-exempt revenue bonds date August 1, 2017 in the amount of \$6,330,000. These bonds will mature on July 1, 2047 with interest of 5.75%, The bonds are secured by a trust indenture with M&T Bank, as trustee, and by an assignment agreement dated August 1, 2017 which assigns to the trustee all revenues of the Authority. The current portion is \$97,695 net of amortization of the bond discount of \$7,305.	\$ 6,190,000	6,290,000
Less unamortized discount	(193,577)	(200,882)
Bonds payable including discount	5,996,423	6,089,118
Less current portion, net of amortization of discount	(97,695)	(92,695)
	<u>\$ 5,898,728</u>	<u>5,996,423</u>

(d) Notes Payable

Notes payable at March 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Loan with Mapco Auto Parks, Ltd. with a fixed interest rate of 5.33% in the amount of \$350,000. The note is payable in equal monthly installments of \$3,769 with a ten year term.	\$ 191,931	223,590
Loan with Community Bank, N.A. dated December 21, 2018 with a fixed rate of 5.90% in the amount of \$200,000. This loan is secured by real property. The note is payable in monthly installments of \$2,627 with an eight year term.	130,070	153,036
Loan with Tompkins Trust Company dated February 14, 2019 with a fixed rate of 4.84% in the amount of \$500,000. The note is payable in monthly installments of \$10,000 with a five year term. This loan was modified to allow the suspension of payments for a period of three months. All loan principal is payable on the original maturity date.	160,000	310,000

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(8) Long-Term Debt, Continued

(d) Notes Payable, Continued

	<u>2022</u>	<u>2021</u>
Loan with Tompkins Trust Company dated December 31, 2017 with a fixed rate of 4.08% in the amount of \$3,950,000. This loan is secured by the first lien on the assets of the industrial park. This loan is payable in monthly installments of \$40,250 with a 10 year term.	\$ 2,757,428	3,118,157
Loan with Community Bank dated July 27, 2021 with a fixed rate of 5.25% in the amount of \$498,676. This loan is secured by certain vehicles and equipment. The loan is payable in monthly installments of \$9,486 with a 5 year term.	<u>439,147</u>	<u>-</u>
	3,678,576	3,804,783
Less current portion	<u>(660,804)</u>	<u>(549,388)</u>
Notes payable, excluding current portion	<u>\$ 3,017,772</u>	<u>3,255,395</u>

The Tompkins Trust Company (Tompkins) loan agreement contains certain restrictive covenants, which among other things require the maintenance of certain financial covenants. In addition, the loan agreement also requires the Authority to maintain a compensating cash balance amounting to \$200,000 on deposit. The compensating cash balance at March 31, 2022 and 2021 was \$353,303 and \$124,561, respectively. The Authority was in compliance with the loan agreement at year end March 31, 2022. The Authority was not in compliance on March 31, 2021, however a waiver was obtained.

(e) Lease Purchase Agreement

Lease purchase agreement with Key Government Finance dated August 1, 2018 with a fixed interest rate of 4.99% in the amount of \$118,432. The agreement is payable in monthly installments of \$2,779 with a four year term. The balance on the lease purchase agreement at March 31, 2022, and 2021 is \$8,271 and \$39,920, respectively. The entire balance of \$8,271 is payable in full in the subsequent period.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(8) Long-Term Debt, Continued

(f) Long-Term Debt Maturities

Long-term debt maturities over the next five years and thereafter as of March 31, 2022 are as follows:

Year ending March 31,	Due to State	Bonds Payable		Notes Payable		Lease	
	of New York Principal	Principal	Interest	Principal	Interest	Purchase Agreements Principal	Interest
2023	\$ 600,000	97,695	360,211	660,804	138,073	8,271	69
2024	75,000	102,695	354,030	605,430	107,646	-	-
2025	75,000	112,695	347,417	591,201	81,242	-	-
2026	75,000	117,695	340,374	618,167	55,422	-	-
2027	75,000	127,695	332,899	549,716	28,614	-	-
2028-2032	375,000	763,475	1,535,837	653,258	13,326	-	-
2033-2037	375,000	1,023,475	1,269,324	-	-	-	-
2038-2042	375,000	1,373,475	917,137	-	-	-	-
2043-2047	375,000	1,843,475	446,787	-	-	-	-
2047-2051	375,000	434,048	16,446	-	-	-	-
Thereafter	<u>15,854,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,629,974</u>	<u>5,996,423</u>	<u>5,920,462</u>	<u>3,678,576</u>	<u>424,323</u>	<u>8,271</u>	<u>69</u>

(9) Pension Plan

(a) General Information and Plan Description

The Authority participates in the New York State and Local Employees' Retirement System (ERS or the System). This System is a cost sharing, multiple employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Authority (the Authority), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Authority and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/inex.php](http://www.osc.state.ny.us/retire/publications/inex.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(a) General Information and Plan Description

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3.0 percent of their salary for their entire length of service. Those joining on or after April 1, 2012 are required to contribute between 3 and 6 percent, dependent on salary, throughout their working careers. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2022	\$ 285,124
2021	290,190
2020	284,583

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At March 31, 2022 and 2021, the Authority reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Authority.

Actuarial valuation date	4/1/2020	4/1/2019
Net pension liability	\$ 7,360	1,621,056
Authority's proportion of the Plan's net pension liability	0.0073913%	0.0061217%
Change in proportion since prior measurement date	0.0012696% (0.0001107%)	

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

For the years ended March 31, 2022 and 2021, the Authority recognized pension expense of \$223,162 and \$576,445, respectively, for ERS. At March 31, 2022 and 2021 the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 89,883	-	95,406	-
Net difference between projected and actual earnings on pension plan investments	-	2,114,171	831,032	-
Changes in assumptions	1,353,232	25,522	32,640	28,184
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	162,711	12,181	76,749	7,021
Authority's contributions subsequent to the measurement date	<u>285,124</u>	<u>-</u>	<u>290,190</u>	<u>-</u>
Total	\$ <u>1,890,950</u>	<u>2,151,874</u>	<u>1,326,017</u>	<u>35,205</u>

Authority contributions subsequent to the March 31, 2022 measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan year ending</u>	
2022	\$ (76,681)
2023	(5,914)
2024	(82,047)
2025	<u>(381,406)</u>
	\$ <u>(546,048)</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2021	March 31, 2020
Actuarial valuation date	April 1, 2020	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	5.9%	6.8%
Salary increases	4.4%	4.2%
Inflation	2.7%	2.5%
Cost-of-living	1.4%	1.3%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. The previous actuarial valuations as of April 1, 2019 used the Society of Actuaries Scale MP-2018.

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

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

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

Measurement date	March 31, 2021	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/ARS portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	0.50%
	<u>100.00%</u>	

\*The real rate of return is net of the long-term inflation assumption of 2.0%.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.90% and 6.80% for March 31, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.90%) or 1-percentage point higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (2,042,799)	(7,360)	<u>1,869,791</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)	
Measurement date	3/31/2021	3/31/2020
Employers' total pension liability	\$(220,680)	(194,597)
Plan net position	<u>220,580</u>	<u>168,116</u>
Employers' net pension liability	\$ <u><u>(100)</u></u>	<u><u>(26,481)</u></u>
Ratio of plan net position to the Employers' total pension liability	99.95%	86.39%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of March 31, 2022 and 2021 represent the projected employer contribution for the period of April 1, 2021 through March 31, 2022 and April 1, 2020 through March 31, 2021, respectively, based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(h) Funding Policies

The System is non-contributory except for employees in tier 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 and 6 who also contribute between 3% and 6% of their salary for the entire length of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2022 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	18.2%
5 A15	15.2%
6 A15	10.6%
6 A15	10.7%

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions

(a) Plan Description and Benefits

Total expenditures charged to operations for the years ended March 31, 2022 and 2021 amounted to \$6,980 and \$134,900, respectively. At March 31, 2022 and 2021, the liability for active and retired employers amounted to \$1,351,912 and \$2,187,156, respectively.

The number of participants as of April 1, 2021 the last actuarial measurement date, was as follows:

Active employees	24
Retired employees	<u>10</u>
Total	<u>34</u>

Funding Policy - The Authority currently pays for postemployment health care benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue. There are no assets accumulated in a trust that meets the certain criteria in GASB Statement No. 75, paragraph 4.

(b) Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.5%
Discount rate	2.34%
Healthcare cost trend rates	7.00% for 2022, decreasing to an ultimate rate of 3.94%

(c) Changes in the Total OPEB Liability

	<u>2022</u>	<u>2021</u>
Total OPEB liability as of beginning of year	\$ <u>2,187,156</u>	<u>2,070,173</u>
Changes for the year:		
Service cost	84,942	78,382
Interest on total OPEB liability	50,527	57,534
Differences between actual and expected experience	(679,560)	-
Changes in assumptions and other inputs	(198,728)	78,650
Benefit payments	<u>(92,425)</u>	<u>(97,583)</u>
Total changes	<u>(835,244)</u>	<u>116,983</u>
Total OPEB liability as of end of year	\$ <u>1,351,912</u>	<u>2,187,156</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

(d) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.34%) or 1-percentage-point higher (3.34%) than the current discount rate:

	1% Decrease (1.34%)	Discount Rate (2.34%)	1% Increase (3.34%)
Total OPEB liability	\$ <u>1,461,758</u>	<u>1,351,912</u>	<u>1,250,146</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2022.

(e) Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a rate that is 1-percentage point lower (5.0% to 2.94%) or 1-percentage point higher (8.0% to 4.94%) than the current health care cost trend rate:

	1% Decrease (6.0% to 2.94%)	Trend Rate (7.0% to 3.94%)	1% Increase (8.0% to 4.94%)
Total OPEB liability	\$ <u>1,218,827</u>	<u>1,351,912</u>	<u>1,506,545</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2022.

(f) OPEB Expense and deferred Outflows of resources and Deferred Inflows of Resources related to OPEB

At March 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected	\$ -	633,692	-	65,060
Changes of assumptions	62,470	171,960	74,517	2,840
Contributions subsequent to the measurement date	<u>85,785</u>	<u>-</u>	<u>92,425</u>	<u>-</u>
	<u>\$ 148,255</u>	<u>805,652</u>	<u>166,942</u>	<u>67,900</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

(f) OPEB Expense and deferred Outflows of resources and Deferred Inflows of Resources related to OPEB, Continued

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2023. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending</u>	
2023	\$ (128,489)
2024	(128,489)
2025	(128,269)
2026	(127,724)
2027	(119,888)
Thereafter	<u>(110,323)</u>
	\$ <u>(743,182)</u>

(11) Restricted Net Position

Restricted net position consists of the following at March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Compensating balance requirement	\$ 353,303	124,581
Bond payment reserve	213,819	211,280
Debt service reserve	<u>499,816</u>	<u>499,757</u>
	\$ <u>1,066,938</u>	<u>835,618</u>

(12) Operating Leases - Lessor

The Authority executed a lease agreement with the United States of America, dated July 2, 2002, for rental of the new border station building to the General Services Administration (GSA). The lease provides for annual lease payments of \$1,069,860 beginning October 1, 2003, for a term of fifteen years. The lease provides for an annual adjustment beginning with the second of the agreement to be determined by multiplying the base rent by the annual percent of change in the Cost of Living Index. Estimated minimum future rentals to be received under this non-cancelable operating lease. The lease with GSA was renewed as of April 1, 2019 with payments retroactive to October 1, 2018. The current lease agreement terminates on April 1, 2039.

The Authority is the lessor of a customs building and various industrial buildings and airport buildings under operating leases expiring in various years through 2029.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Financial Statements, Continued

(12) Operating Leases - Lessor, Continued

Estimated minimum future rentals to be received on non-cancelable leases as of March 31, 2022 for each of the next five years are as follows:

	<u>GSA</u>	<u>Other</u>	<u>Total</u>
2023	\$ 1,081,464	1,178,929	2,260,393
2024	1,112,387	1,041,967	2,154,354
2025	1,112,387	540,089	1,652,476
2026	1,112,387	372,665	1,485,052
2027	1,112,387	351,065	1,463,452

(13) Operating Lease - Lessee

The Authority executed a lease agreement dated March 24, 2019, for the rental of a new loader. The lease providers for monthly lease payments of \$4,381 beginning on May 30, 2019, for a term of 60 months.

The following is a schedule of estimated future minimum rental payments required under the above operating lease at March 31, 2022:

2023	\$ 52,572
2024	52,572
2025	<u>17,524</u>
	\$ <u>122,668</u>

(14) Contingencies

Financial awards from Federal, State, and local governmental entities in the form of grants are subject to special audits. Such audits could result in claims against the Authority for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Certain claims arising in the ordinary course of business have been filed against the Authority. In the opinion of management, all such matters are adequately covered by insurance.

(15) Payroll Protection Program

In February 2021, the Authority received a second loan under the Paycheck Protection Program that was designed by the United States Small Business Administration (the SBA) to provide direct incentive to keep workers on payroll due to COVID-19. The SBA will forgive the loan if all employee retention criteria are met and the funds are used for eligible expenses. In February 2022, the SBA provided approval for the forgiveness of the loan. For the year ended March 31, 2022, the Authority recognized revenue of \$365,545 towards eligible expenses and is included in nonoperating income on the Statements of Revenue, Expenses and Changes in Net Position.

## OGDENSBURG BRIDGE AND PORT AUTHORITY

### Notes to Financial Statements, Continued

#### (15) Payroll Protection Program, Continued

In May 2020, the Authority received a loan under the Paycheck Protection Program that was designed by the SBA to provide direct incentive to keep workers on payroll due to COVID-19. The SBA will forgive the loan if all employee retention criteria are met and the funds are used for eligible expenses. In January 2021, the SBA provided approval for the forgiveness of the loan. For the year ended March 31, 2021, the Authority recognized revenue of \$430,093 towards eligible expenses and is included in nonoperating income on the Statements of Revenue, Expenses and Changes in Net Position.

#### (16) CARES Act CRRSA- Airport Grants

During the years ended March 31, 2022 and 2021, the Authority received funding from the Federal Aviation Administration (FAA) airport grants amounting to \$1,678,500 and \$1,694,865, respectively. The purpose of the funding is to help offset a decline in revenues arising from diminished airport operations as a result of the COVID-19 Public Health Emergency. These distributions do not need to be repaid to the U.S. government, assuming providers comply with the terms and conditions.

#### (17) TIGER Grant

In 2020, the Authority received funding from the New York State Department of Transportation to perform a bridge painting project.

The funds received consist of a mix of State and Federal funding sources. The funding will not require repayment assuming compliance with terms and conditions of the funding documents.

#### (18) Fiscal Viability

The Authority has a working capital deficit of \$1,855,758 at March 31, 2022 and an operating loss of \$3,957,189 for the year then ended.

During the year ended March 31, 2021 the Authority took on a \$2,000,000 Line of Credit with Tompkins Trust for operating capital for the TIGER Grant Painting and Rehab Project. At March 31, 2022, \$615,173 remains unpaid on the Line of Credit.

Management's plan to address the fiscal liability of the Authority has been severely impacted by the COVID-19 pandemic. The Ogdensburg-Prescott International Bridge was closed to all but essential traffic from the end of March 2020 up to August 9, 2021, when Canada allowed international crossings with restrictions. The United States reopened its border on November 8, 2021, also with restrictions. Allegiant Air has terminated low cost carrier service to/from Ogdensburg to Florida. Sky West's request to terminate its EAS to/from OGS to BWI was approved with the caveat that new EAS had to be in place prior to Sky West's departure. EAS has been secured with the arrival of Contour Airlines on July 1<sup>st</sup>.

## OGDENSBURG BRIDGE AND PORT AUTHORITY

### Notes to Financial Statements, Continued

#### (18) Fiscal Viability, Continued

- Bridge Traffic: Car and truck traffic on the bridge has resumed to near 50% of pre-pandemic levels. In 2022 there was an overall increase in traffic of 40%. The bridge painting and rehabilitation has been completed this year without interruption to bridge traffic.
- Airport Operations: The Authority is still investigating options to recruit additional airlines to the airport. Discussions are ongoing to have plans in place as restrictions are lifted and travel resumes to more pre-pandemic levels.

In the interim, further grants, including American Rescue Plan Act funds, have been awarded to airports to address airport operational costs. Ogdensburg International Airport has been able to use these funds to subsidize normal operating costs and cover additional pandemic required cleaning & disinfecting expenses and signage, etc.

The FAA Entitlement Grant, based on prior year annual enplanements, awarded the Authority \$1,000,000 to be used on airport improvements. The award has allowed the airport to upgrade its snow removal equipment, a vital part of winter airport operations in the North Country.

- Marine Terminal: The Port of Ogdensburg received a Wind Turbine Project during its 2020-2021 fiscal year with gross revenue of approximately \$1,600,000. The Marine Terminal has budgeted a Wind Turbine Project for the 2021-2022 fiscal year expecting gross revenue of approximately \$1,100,000. In addition to the Wind Turbine Project, the Port of Ogdensburg has seen an increase in grain storage over the fiscal year.
- Railroad: The Authority has secured two grants totaling approximately \$2,000,000 to complete needed bridge repairs to two of the railroad's bridges. The upgrades to the bridges will bring them in compliance to carry heavier loads/more rail cars making the railway more commercially competitive.
- Commerce Park Campus: During this pandemic year, the Authority has had only two tenants from its Commerce Park Campus request deferrals on rent. In both cases, the tenants have returned to paying their monthly rent and have paid back the deferred amounts. There has been no increase in tenants leaving over the normal turnover expected/anticipated.

Especially in light of this pandemic year, the Authority has responded to the need to reduce expenses. All but critical operational expenditures have been re-evaluated, most being deferred until the 'new normal' is fully understood. Personnel costs have, also, been decreased. Two vacant positions at the end of the prior fiscal year have remained unfunded. Additionally, two positions vacated during this fiscal year have not been funded. Restructuring of departments and interim outsourcing of some necessary tasks has allowed the Authority to utilize limited resources to its best advantage.

**OGDENSBURG BRIDGE AND PORT AUTHORITY**  
 Required Supplementary Information  
 Schedule of Changes in Authority's  
 Total OPEB Liability and Related Ratios  
 Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability:			
Service cost	\$ 84,942	78,382	59,382
Interest on total OPEB liability	50,527	57,534	82,152
Differences between actual and expected experience	(679,560)	-	(89,656)
Changes in assumptions or other inputs	(198,728)	78,650	9,172
Benefit payments	<u>(92,425)</u>	<u>(97,583)</u>	<u>(86,744)</u>
Net change in total OPEB liability	(835,244)	116,983	(25,694)
Total OPEB liability - beginning	<u>2,187,156</u>	<u>2,070,173</u>	<u>2,095,867</u>
Total OPEB liability - ending	<u>\$ 1,351,912</u>	<u>2,187,156</u>	<u>2,070,173</u>
Covered payroll	\$ 2,149,692	2,081,138	2,244,733
Total OPEB liability as a percentage of covered payroll	62.9%	105.1%	92.2%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2022</u>	<u>2021</u>	<u>2020</u>
2.34%	2.27%	2.74%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority should present information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

**OGDENSBURG BRIDGE AND AUTHORITY**  
 Required Supplementary Information  
 Schedule of Authority's Proportionate Share of the Net Pension Liability  
 Year ended March 31, 2022

	NYSERS Pension Plan						
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability	0.0073913%	0.0061217%	0.0062324%	0.0060744%	0.0056874%	0.0058747%	0.0061444%
Authority's proportionate share of the net pension liability	\$ 7,360	1,621,056	441,587	196,049	534,399	942,900	207,572
Authority's covered payroll	\$ 1,904,683	2,081,138	1,973,822	1,797,158	1,793,263	1,577,651	1,493,593
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	0.39%	77.89%	22.37%	10.91%	29.80%	59.77%	13.90%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority should present information for those years for which information is available.

**OGDENSBURG BRIDGE AND AUTHORITY**  
 Required Supplementary Information  
 Schedule of Authority's Employer Pension Contributions  
 Year ended March 31, 2022

NYSERS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 285,124	290,190	284,583	263,565	266,194	245,451	265,038	232,880	380,261	251,072
Contributions in relation to the contractually required contribution	<u>285,124</u>	<u>290,190</u>	<u>284,583</u>	<u>263,565</u>	<u>266,194</u>	<u>245,451</u>	<u>265,038</u>	<u>232,880</u>	<u>380,261</u>	<u>251,072</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>								
Authority's covered employee payroll	\$ 1,904,683	2,081,138	1,973,822	1,797,158	1,793,263	1,577,651	1,493,593	1,497,450	1,623,317	1,414,127
Contributions as a percentage of covered employee payroll	14.97%	13.94%	14.42%	14.67%	14.84%	15.56%	17.74%	15.55%	23.42%	17.75%

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Governing Board  
Ogdensburg Bridge and Port Authority:

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, the financial statements of the Ogdensburg Bridge and Port Authority (the Authority), as of and for the year ended March 31, 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

## 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 29, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Governing Board  
Ogdensburg Bridge and Port Authority:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ogdensburg Bridge and Port Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

## Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 29, 2022

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Schedule of Expenditures of Federal Awards  
Year ended March 31, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Transportation - passed through New York State - Department of Transportation - Highway Planning and Construction	20.205	N/A	\$ 8,898,566	-
U.S. Department of Transportation - Direct Award - Airport Improvement Program	20.106	N/A	2,325,750	-
U.S. Department of Transportation - Direct Award - CARES Act/CRRSA - Airport Improvement Programs	20.106	N/A	1,678,500	-
Total Airport Improvement Program			<u>4,004,250</u>	-
Total Expenditures of Federal Awards			<u>\$ 12,902,816</u>	-

See accompanying notes to schedule of expenditures of federal awards.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Notes to Schedule of Expenditures of Federal Awards  
Year ended March 31, 2022

(1) Reporting Entity

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by the Ogdensburg Bridge and Port Authority (the Authority), an entity as defined in the basic financial statements.

(2) Basis of Accounting

The Schedule is presented on the accrual basis of accounting and the amounts presented are derived from the Authority's general ledger. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the Schedule up to such amounts.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent such costs are included in the Federal financial reports used as the source for the data presented. The Authority does use the 10% de minimis rule.

(4) Matching Costs

Matching costs, i.e., the Authority's share of certain program costs, are not included in the Schedule.

(5) Subrecipients

The Authority did not provide any funding to subrecipients during the year ended March 31, 2022.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
 Schedule of Findings and Questioned Costs  
 Year ended March 31, 2022

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- |  |              |          |                  |
|--|--------------|----------|------------------|
| 1. Material weakness(es) identified?                     | _____ Yes    | <u>X</u> | No               |
| 2. Significant deficiency(ies) identified?               | _____ Yes    | <u>X</u> | None<br>Reported |
| 3. Noncompliance material to financial statements noted? | <u>X</u> Yes | _____    | No               |

Federal Awards:

Internal control over major programs:

- |  |           |          |                  |
|--|-----------|----------|------------------|
| 4. Material weakness(es) identified?       | _____ Yes | <u>X</u> | No               |
| 5. Significant deficiency(ies) identified? | _____ Yes | <u>X</u> | None<br>Reported |

Type of auditors' report issued on compliance for major programs:

Unmodified

- |  |           |          |    |
|--|-----------|----------|----|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? | _____ Yes | <u>X</u> | No |
| 7. The Authority's major programs were:  |           |          |    |

<u>Name of Federal Program</u>	<u>Assistance Listing Number</u>
Highway Planning and Construction	20.205
Airport Improvement Program	20.106

- |   |                        |
|---|------------------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs. | \$ 750,000             |
| 9. Auditee qualified as low-risk auditee?                                   | _____ Yes <u>X</u> No* |

Part II - FINANCIAL STATEMENT FINDINGS

See finding 2022-001 on page 51.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No reportable findings or questioned costs.

\*The not low-risk auditee rating is the result of a federal single audit not being performed or required for the year ended March 31, 2020.

OGDENSBURG BRIDGE AND PORT AUTHORITY  
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

Finding 2022-001

Condition - Approximately \$458,000 in Authority funds on deposit were uninsured and uncollateralized at March 31, 2022.

Criteria - New York State General Municipal Law §10 requires the Authority to have pledged collateral in place by financial institutions for amounts in deposit in excess of Federal Deposit Insurance Corporation (FDIC) limits.

Effect - Uninsured and uncollateralized funds are at risk of loss and the Authority is not in compliance with General Municipal Law.

Cause - The Authority was unaware of the requirement to have all uninsured balances collateralized.

Recommendation - We recommend that the Authority work with its financial institution to ensure that appropriate collateral is in place to cover the Authority's uninsured funds on deposit.

Response – See management's response on page 52.



# OGDENSBURG BRIDGE & PORT AUTHORITY

1 Bridge Plaza, Ogdensburg, New York 13669

Phone: 315-393-4080 Fax: 315-393-7068

## RESPONSE TO: PART II – FINANCIAL STATEMENT FINDINGS, FINDING 2022-001

Having been made aware of the NYS General Municipal Law §10 which requires the Ogdensburg Bridge & Port Authority (the Authority, the OBPA) to have pledged collateral in place by financial institutions for amounts in deposit in excess of the Federal Deposit Insurance Corporation (FDIC) limits, the Chief Financial Officer reached out to its three financial institutions for their feedback.

The replies received:

- Tompkins Trust – would not secure the Authority's deposits since they are not public funds; the Authority would not qualify for that
- Community Bank, NA – In order to protect our municipal customers with deposits in excess of the FDIC Insurance limits, we put in place a Third Party Custody Agreement that requires Community Bank to pledge collateral against those deposits in excess of the limit on a daily basis. Therefore, as the OBPA balances fluctuate, collateral is adjusted to levels that ensure full coverage for any amount above the FDIC limits. At the end of each month, the custodian (M&T Bank/Wilmington Trust) mails a collateral statement directly to the customer detailing the collateral pledged to the OBPA for deposits above the limits. However, in the instance where a customer deposit balances are below the FDIC limits, the custodian does not send a monthly statement.
- M&T Bank – With respect to accounts held within the Corporate Trust Department at Manufacturers and Traders Trust Company ("M&T"), all cash and time deposits in M&T's Commercial banking area, to the extent not insured by the Federal Deposit Insurance Corporation, are secured by a pledge of direct obligations of the United States of America or Government Securities having the full faith and credit of the United States of America having a market value at all times equal to or in excess of the funds requiring such collateralization.

The Chief Financial Officer will pursue alternatives with Tompkins Trust Company for collateralizing the uninsured balance held in its accounts there especially as one is a compensating balance account. In addition, the CFO will follow up on the collateral statements that the Authority should be receiving when the total Community Bank account balance is in excess of the FDIC limits. To the CFO's knowledge, the Authority has not received these statements in the past.

  
Patricia Nisco, CFO