

INDEPENDENT AUDITORS' REPORT

The Governing Board
Ogdensburg Bridge and Port Authority:

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Ogdensburg Bridge and Port Authority (the Authority), as of and for the years ended March 31, 2021 and 2020, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Ogdensburg Bridge and Port Authority, as of March 31, 2021 and 2020, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and on pages 4 through 8 and the Schedule of Changes in Corporation's Total OPEB Liability and Related Ratios on page 40, the Schedule of Authority's Proportionate Share of the Net Pension Liability on page 41, and the Schedule of Authority's Employer Pension Contributions on page 42 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic 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.

Other 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such 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 auditing standards generally accepted in the United States of America. 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 September 17, 2021, 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 the Authority's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 17, 2021

OGDENSBURG BRIDGE AND PORT AUTHORITY
 Statements of Net Position
 March 31, 2021 and 2020

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:			
Cash and equivalents		\$ 717,090	124,842
Accounts receivable		170,735	190,009
Grants receivable		187,032	274,909
Inventories		50,510	35,075
Prepaid expenses		21,255	79,427
Total current assets		<u>1,146,622</u>	<u>704,262</u>
Noncurrent assets:			
Compensating balance		124,581	148,270
Security deposits		5,431	1,855
Bond payment reserve		211,280	204,572
Debt service reserve		499,757	499,705
Capital assets, net of accumulated depreciation		<u>95,332,430</u>	<u>85,552,192</u>
Total noncurrent assets		<u>96,173,479</u>	<u>86,406,594</u>
Total assets		<u>97,320,101</u>	<u>87,110,856</u>
Deferred outflows of resources			
Pensions		1,326,017	545,073
OPEB		<u>166,942</u>	<u>105,497</u>
Total deferred outflows of resources		<u>1,492,959</u>	<u>650,570</u>

(Continued)

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Statements of Net Position, Continued

<u>Liabilities and Net Position</u>	<u>2021</u>	<u>2020</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,700,467	1,834,432
Accrued interest	98,731	95,195
Line of credit	978,676	915,124
Accrued vacation compensation	132,958	90,459
Promissory note - Paycheck Protection Program	365,545	-
Current portion of due to State of New York	525,000	450,000
Current portion of bonds payable	92,695	87,695
Current portion of notes payable	549,388	531,442
Current portion of lease/purchase agreement	32,068	115,909
Total current liabilities	<u>4,475,528</u>	<u>4,120,256</u>
Noncurrent liabilities:		
Lease and escrow deposits	157,587	160,326
Postemployment benefits other than pensions	2,187,156	2,070,173
Net pension liability - proportionate share	1,621,056	441,587
Due to State of New York, excluding current portion	18,104,974	18,179,974
Bonds payable, excluding current portion	5,996,423	6,089,118
Notes payable, excluding current portion	3,255,395	3,496,232
Lease purchase agreement, excluding current portion	7,852	40,355
Total noncurrent liabilities	<u>31,330,443</u>	<u>30,477,765</u>
Total liabilities	<u>35,805,971</u>	<u>34,598,021</u>
Deferred inflows of resources:		
Pensions	35,205	147,475
OPEB	67,900	80,963
Total deferred inflows of resources	<u>103,105</u>	<u>228,438</u>
Net Position:		
Net investment in capital assets	65,789,960	55,438,785
Restricted	835,618	852,547
Unrestricted	<u>(3,721,594)</u>	<u>(3,356,365)</u>
Total net position	<u>\$ 62,903,984</u>	<u>52,934,967</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Bridge tolls	\$ 946,927	2,923,981
Rentals	2,435,340	2,431,513
Port operating fees	2,174,403	1,577,672
Parking revenue	8,195	299,693
Airport fees and services	316,750	399,662
Construction projects	4,145	-
Miscellaneous	111,974	87,853
Total operating revenue	<u>5,997,734</u>	<u>7,720,374</u>
Operating expenses:		
Salaries and wages	2,149,692	2,218,272
Payroll taxes and benefits	1,519,613	1,096,890
Automotive	49,038	101,778
Building and grounds maintenance	218,306	316,328
Equipment repairs and maintenance	217,257	276,644
Fuel and utilities	256,389	204,947
Parking lot operations	134,610	315,166
Security	169,764	178,407
Insurance	364,959	309,577
Telephone and postage	39,346	47,696
Advertising	179,155	175,111
Professional fees	916,456	460,828
Depreciation	4,343,945	4,329,996
Office supplies	10,919	27,269
Subscriptions and dues	2,409	895
Travel and meetings	4,550	7,480
Specialized handling equipment expense	498,338	384,543
Miscellaneous	211,173	69,368
Total operating expenses	<u>11,285,919</u>	<u>10,521,195</u>
Operating loss	<u>(5,288,185)</u>	<u>(2,800,821)</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2021</u>	<u>2020</u>
Non-operating income (expense):		
Federal and State grants	\$ 13,782,882	466,464
CARES Act - airport grants	1,694,865	-
Grant income - Paycheck Protection Program forgiveness	430,093	-
Interest income	57	2,354
Loss on foreign currency exchange	(28,926)	(300,989)
Interest expense	<u>(621,769)</u>	<u>(640,710)</u>
Total non-operating income (expense)	<u>15,257,202</u>	<u>(472,881)</u>
Change in net position	9,969,017	(3,273,702)
Net position at beginning of year	<u>52,934,967</u>	<u>56,208,669</u>
Net position at end of year	<u>\$ 62,903,984</u>	<u>52,934,967</u>

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY
 Statements of Cash Flows
 Years ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers	\$ 6,010,693	7,571,172
Payments to employees	(1,691,348)	(2,123,817)
Other payments	(4,970,624)	(3,979,917)
Net cash provided by (used in) operating activities	<u>(651,279)</u>	<u>1,467,438</u>
Cash flows from capital financing activities:		
Principal paid on capital debt	(426,931)	(699,424)
Bond payment reserve	(6,708)	(22,526)
Debt service reserve	(52)	(6,729)
Capital expenditures	(14,124,183)	(403,500)
Federal and State grants	13,870,759	569,466
Proceeds from promissory notes - Paycheck Protection Program	795,638	-
Compensating balance	23,689	48,565
Interest paid on capital debt	(618,233)	(642,186)
Line of credit	63,552	26,448
Net cash used in capital financing activities	<u>(422,469)</u>	<u>(1,129,886)</u>
Cash flows from investing activities:		
Interest income	57	2,354
Loss on foreign currency exchange	(28,926)	(300,989)
Proceeds from CARES Act - airport grants	1,694,865	-
Net cash provided by (used in) investing activities	<u>1,665,996</u>	<u>(298,635)</u>
Net change in cash and equivalents	592,248	38,917
Cash and equivalents at beginning of year	<u>124,842</u>	<u>85,925</u>
Cash and equivalents at end of year	<u>\$ 717,090</u>	<u>124,842</u>

(Continued)

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Statements of Cash Flows, Continued

	<u>2021</u>	<u>2020</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (5,288,185)	(2,800,821)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expense	4,343,945	4,329,996
Changes in:		
Accounts receivable	19,274	(123,188)
Inventories	(15,435)	(2,102)
Prepaid expenses	58,172	(27,615)
Deferred outflows of resources - pensions	(780,944)	257,502
Accounts payable and accrued expenses	(91,465)	75,382
Security deposits	(6,315)	(26,014)
Net pension liability - proportionate share	1,179,469	245,538
Deferred inflows of resources - pensions	(112,270)	(493,386)
Other postemployment benefits, net cumulative effect	<u>42,475</u>	<u>32,146</u>
Net cash provided by (used in) operating activities	<u>\$ (651,279)</u>	<u>1,467,438</u>

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements

March 31, 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 of New York.

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 Ogdensburg Border Station, Inc. 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.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental accounting and financial reporting principles.

(b) Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles 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 revenues 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 revenues and expenses are classified as non-operating in the financial statements.

(d) Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America 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, 2021 and 2020, the liabilities for accrued vacation leave amounted to \$132,958 and \$90,459, 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 \$179,155 and \$175,111 for the years ended March 31, 2021 and 2020, respectively.

(r) Pollution Remediation Obligations

In accordance with the GASB Statement No. 49 - "Accounting 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

In the statements of net position, in addition to assets, the Authority reports a separate section of deferred outflows of resources. This separate financial statement element 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. For pensions, the Authority has three items that qualify for reporting in this category. The first item is related to pensions 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 systems 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.

In addition to liabilities, the statements of net position reports a separate section for deferred inflows of resources. This separate financial statement element, 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. For pensions, the Authority has one item that qualifies for reporting in this category. This item is related to pensions 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. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

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.

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. 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.

(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 of the COVID-19 virus on a national, regional and local level are unknown, but has 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 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 Federal deposit 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, 2021 were \$1,572,163. These deposits are categorized as follows:

<u>1</u>	<u>2</u>	<u>3</u>
\$ <u>1,144,803</u>	<u>427,360</u>	<u>-</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, 2021 and 2020, the Authority had \$204,718 and \$85,513, 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, 2021 and 2020, the Authority had \$24,680 and \$16,922, 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 \$211,280 and \$204,572 as of March 31, 2021 and 2020, 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 \$499,757 and \$499,705 as of March 31, 2021 and 2020, respectively.

(4) Capital Assets

Capital assets for the years ended March 31, 2021 and 2020 were as follows:

	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>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

	Balance at April 1, <u>2019</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2020</u>
Capital assets, not being depreciated:				
Land	\$ 4,151,803	-	-	4,151,803
Construction in progress	<u>2,362,681</u>	<u>450,342</u>	<u>(451,976)</u>	<u>2,361,047</u>
Total capital assets not being depreciated	<u>6,514,484</u>	<u>450,342</u>	<u>(451,976)</u>	<u>6,512,850</u>
Capital assets, being depreciated:				
Land improvements	42,428,992	97,973	-	42,526,965
Buildings	89,216,690	60,956	-	89,277,646
Machinery and equipment	<u>8,504,073</u>	<u>453,763</u>	<u>(18,885)</u>	<u>8,938,951</u>
Total capital assets being depreciated	<u>140,149,755</u>	<u>612,692</u>	<u>(18,885)</u>	<u>140,743,562</u>
Less accumulated depreciation for:				
Land improvements	(12,159,420)	(1,785,747)	-	(13,945,167)
Buildings	(38,916,300)	(2,152,159)	-	(41,068,459)
Machinery and equipment	<u>(6,317,389)</u>	<u>(392,090)</u>	<u>18,885</u>	<u>(6,690,594)</u>
Total accumulated depreciation	<u>(57,393,109)</u>	<u>(4,329,996)</u>	<u>18,885</u>	<u>(61,704,220)</u>
Total capital assets, being depreciated, net	<u>82,756,646</u>	<u>(3,717,304)</u>	<u>-</u>	<u>79,039,342</u>
Total capital assets, net	<u>\$89,271,130</u>	<u>(3,266,962)</u>	<u>(451,976)</u>	<u>85,552,192</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 market 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 market 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, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Marine harbor deepening project	\$ 7,423,151	1,402,152
Airport lighting system	379,051	341,346
Airport master plan	192,690	185,469
Airport water project	208,796	208,796
Railroad bridge rehabilitation	70,568	70,568
Industrial park building improvements	1,427	1,427
Bridge painting project	7,598,786	55,531
Airport drainage project	<u>247,033</u>	<u>95,758</u>
	<u>\$ 16,121,502</u>	<u>2,361,047</u>

(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 2.975% and are collateralized by the Authority's assets. The total amount outstanding at March 31, 2021 and 2020 for this agreement was \$480,000 and \$416,448, 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 and 2020 for this agreement was \$498,676. This line of credit was subsequently converted 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 New York State for direct reimbursement. At March 31, 2021 there was no outstanding balance on this line of credit.

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>	<u>17,945,876</u>
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, 2021 and 2020				<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 1st 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, 2021 and 2020, \$525,000 and \$450,000, respectively, was deferred.

(b) Total Due to State of New York

	<u>2021</u>	<u>2020</u>
Amount due New York State - First Instance Advances	\$ 18,629,974	18,629,974
Less current portion	<u>(525,000)</u>	<u>(450,000)</u>
Total due to State of New York, excluding current portion	<u>\$ 18,104,974</u>	<u>18,179,974</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements, Continued

(8) Long-Term Debt, Continued

(c) Bonds Payable

	<u>2021</u>	<u>2020</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 \$92,695 net of amortization of the bond discount of \$7,305.	\$ 6,290,000	6,305,000
The Authority issued taxable revenue bonds dated August 1, 2017 in the amount of \$230,000. These bonds will mature on July 1, 2020 with interest of 4.50%. The bonds are secured by a trust indenture with M&T Bank, as trustee, and by an assignment agreement date August 1, 2017 which assigns to the trustee all revenues of the Authority.	-	80,000
Less unamortized discount	<u>(200,882)</u>	<u>(208,187)</u>
Bonds payable including discount	6,089,118	6,176,813
Less current portion, net of amortization of discount	<u>(92,695)</u>	<u>(87,695)</u>
	<u>\$ 5,996,423</u>	<u>6,089,118</u>

(d) Notes Payable

Notes payable at March 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</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.	\$ 223,590	256,333
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.	153,036	174,680
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.	310,000	370,000

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(8) Long-Term Debt, Continued

(d) Notes Payable, Continued

	<u>2021</u>	<u>2020</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.	\$ <u>3,118,157</u>	<u>3,226,661</u>
	3,804,783	4,027,674
Less current portion	<u>(549,388)</u>	<u>(531,442)</u>
Notes payable, excluding current portion	\$ <u>3,255,395</u>	<u>3,496,232</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, 2021 was \$124,561. The Authority was not in compliance with the loan agreement at year. The Authority obtained a waiver from Tompkins regarding noncompliance of the debt covenants.

(e) Lease Purchase Agreements

	<u>2021</u>	<u>2020</u>
Lease purchase agreement with Key Government Finance dated May 20, 2015 with a fixed interest rate of 3.04% in the amount of \$400,000. The agreement is payable in annual installments of \$87,451 with a five year term. This agreement was paid in full during the year ended March 31, 2021.	\$ -	85,836
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.	<u>39,920</u>	<u>70,428</u>
	39,920	156,264
Less current portion	<u>(32,068)</u>	<u>(115,909)</u>
Lease purchase agreement, less current portion	\$ <u>7,852</u>	<u>40,355</u>

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, 2021 are as follows:

2022	\$ 1,199,151
2023	748,677
2024	715,394
2025	675,834
2026	702,179
Thereafter	<u>24,522,560</u>
	<u>\$ 28,563,795</u>

(9) Pension Plan

(a) General Information

The Authority participates in the New York State and Local Employees' Retirement 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.

(b) Plan Descriptions

(1) Employees' Retirement System (ERS)

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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 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

(b) Plan Descriptions, Continued

(1) Employees' Retirement System (ERS), Continued

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>
2021	\$ 290,190
2020	284,583
2019	263,565

(2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2021 and 2020, 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, 2020 and 2019. 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	4/1/2019	4/1/2018
Net pension liability	\$ 1,621,056	441,587
Authority's proportion of the Plan's net pension liability	0.0061217%	0.0062324%
Change in proportion since prior measurement date	(0.0001107%)	0.0001580%

For the years ended March 31, 2021 and 2020, the Authority recognized pension expense of \$576,445 and \$295,515, respectively, for ERS. At March 31, 2021 and 2020 the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(b) Plan Descriptions, Continued

(2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

	<u>2021</u>		<u>2020</u>	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 95,406	-	86,958	29,643
Net difference between projected and actual earnings on pension plan investments	831,032	-	-	113,336
Changes in assumptions	32,640	28,184	110,997	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	76,749	7,021	62,535	4,496
Authority's contributions subsequent to the measurement date	<u>290,190</u>	<u>-</u>	<u>284,583</u>	<u>-</u>
Total	<u>\$ 1,326,017</u>	<u>35,205</u>	<u>545,073</u>	<u>147,475</u>

Authority contributions subsequent to the March 31, 2021 measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan</u> <u>year ending</u>	<u>ERS</u>
2021	\$ 181,739
2022	256,334
2023	313,313
2024	<u>249,236</u>
	<u>\$ 1,000,622</u>

(3) 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:

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(b) Plan Descriptions, Continued

(3) Actuarial Assumptions, Continued

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2020	March 31, 2019
Actuarial valuation date	April 1, 2019	April 1, 2018
Interest rate	6.8%	7.0%
Salary scale	4.2% Average	3.8% Average
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.5%	2.5%
Cost-of-living adjustments	1.3%	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2018. The previous actuarial valuations as of April 1, 2018 used the Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

(b) Plan Descriptions, Continued

(3) Actuarial Assumptions, Continued

Measurement date	March 31, 2020	
	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Asset type:		
Domestic equity	36.0%	4.05%
International equity	14.0%	6.15%
Private equity	10.0%	6.75%
Real estate	10.0%	4.95%
Absolute return strategies	2.0%	3.25%
Opportunistic portfolio	3.0%	4.65%
Real assets	3.0%	5.95%
Bonds and mortgages	17.0%	0.75%
Cash	1.0%	0.00%
Inflation - indexed bonds	4.0%	0.50%

The real rate of return is net of the long-term inflation assumption of 2.50%.

(4) Discount Rate

The discount rate used to calculate the total pension liability was 6.80% and 7.00% for March 31, 2021 and 2020, 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.

(5) 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 6.80%, 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 (5.80%) or 1-percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
Employer's proportionate share of the net pension liability	\$ <u>2,975,096</u>	<u>1,621,056</u>	<u>373,980</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Pension Plan, Continued

(b) Plan Descriptions, Continued

(6) 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)	
Valuation date	4/1/2019	4/1/2018
Employers' total pension liability	\$(194,597)	(189,803)
Plan net position	<u>168,116</u>	<u>182,718</u>
Employers' net pension liability	\$ <u>(26,481)</u>	<u>(7,085)</u>
Ratio of plan net position to the Employers' total pension liability	86.39%	96.27%

(7) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of March 31, 2021 and 2020 represent the projected employer contribution for the period of April 1, 2020 through March 31, 2021 and April 1, 2019 through March 31, 2020, 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.

(8) Funding Policies

The System is non-contributory except for employees in tiers 3 and 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, 2021 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
3 A14	16.1%
4 A15	16.1%
5 A15	13.4%
6 A15	9.6%

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions

Total expenditures charged to operations for the years ended March 31, 2021 and 2020 amounted to \$134,900 and \$129,729, respectively. At March 31, 2021, the liability for active and retired employers amounted to \$2,187,156.

The number of participants as of April 1, 2020, the last actuarial measurement date, was as follows:

Active employees	31
Retired employees	<u>8</u>
Total	<u>39</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.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the March 31, 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	2.27%
Healthcare cost trend rates	5.80% for 2021, decreasing to an ultimate rate of 3.94%

Changes in the Total OPEB Liability

	<u>2021</u>	<u>2020</u>
Total OPEB liability as of beginning of year	\$ <u>2,070,173</u>	<u>2,095,867</u>
Changes for the year:		
Service cost	78,382	59,382
Interest on total OPEB liability	57,534	82,152
Changes of benefit terms	-	-
Differences between actual and expected experience	-	(89,656)
Changes in assumptions or other inputs	78,650	9,172
Benefit payments	<u>(97,583)</u>	<u>(86,744)</u>
Total changes	<u>116,983</u>	<u>(25,964)</u>
Total OPEB liability as of March 31	\$ <u>2,187,156</u>	<u>2,070,173</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

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 (1.27%) or 1-percentage-point higher (3.27%) than the current discount rate:

	1% Decrease (1.27%)	Discount Rate (2.27%)	1% Increase (3.27%)
Total OPEB liability	\$ <u>2,362,667</u>	<u>2,187,156</u>	<u>2,022,931</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2021.

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 (7.0% to 4.94%) than the current health care cost trend rate:

	1% Decrease (4.8% to 2.94%)	Trend Rate (5.8% to 3.94%)	1% Increase (6.8% to 4.94%)
Total OPEB liability	\$ <u>1,948,867</u>	<u>2,187,156</u>	<u>2,463,917</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2021.

At March 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience loss	\$ -	65,060	-	77,358
Changes of assumptions	74,517	2,840	7,914	3,605
Contributions subsequent to the measurement date	<u>92,425</u>	<u>-</u>	<u>97,583</u>	<u>-</u>
	<u>\$ 166,942</u>	<u>67,900</u>	<u>105,497</u>	<u>80,963</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2022. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates, Continued

<u>Year ending</u>	
2022	\$ (1,016)
2023	(1,016)
2024	(1,106)
2025	(796)
2026	(251)
Thereafter	<u>10,712</u>
	\$ <u>6,617</u>

(11) Restricted Net Position

Restricted net position consists of the following at March 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash - compensating balance requirement	\$ 124,581	148,270
Bond reserve	211,280	204,572
Debt service reserve	<u>499,757</u>	<u>499,705</u>
	\$ <u>835,618</u>	<u>852,547</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. 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.

Estimated minimum future rentals to be received on non-cancelable leases as of March 31, 2021 for each of the next five years are as follows:

	<u>GSA</u>	<u>Other</u>	<u>Total</u>
2022	\$ 1,081,464	1,355,161	2,436,625
2023	1,081,464	1,117,280	2,198,744
2024	1,081,464	3,456,381	4,537,845
2025	1,112,387	549,513	1,661,900
2026	<u>1,112,387</u>	<u>273,735</u>	<u>1,386,122</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(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, 2021:

2022	\$ 52,572
2023	52,572
2024	52,572
2025	<u>17,524</u>
	\$ <u>175,240</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.

(15) Payroll Protection Program

In May 2020, the Authority received a loan under the Paycheck Protection Program that was designed by the United States Small Business Administration (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 non-operating income on the Statements of Revenue, Expenses and Changes in Net Position.

In February 2021, the Authority received a second 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. The amount received of \$365,545 is included in the Statements of Net Position as a current liability. The loan has an interest rate of 1% with payments to principal and interest to be paid monthly in the amount of \$8,570.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(16) CARES Act - Airport Grants

In 2020, the Authority received funding from the Federal Aviation Administration (FAA) airport grants amounting to \$1,694,865. 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 resume repayment assuming compliance with terms and conditions of the funding documents.

(18) Fiscal Viability

The Authority has a working capital deficit of \$3,328,906 at March 31, 2021 and an operating loss of \$5,288,185 for the year then ended.

During the year ended March 31, 2021 the Authority has taken on a \$2,000,000 Line of Credit with Tompkins Trust for operating capital for the TIGER Grant Painting and Rehab Project. Conversely, the lease/purchase loan for the hardware for the E-Transit system at the toll booth has been retired as has the \$230,000 airport taxable bond.

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 has been closed to all but essential traffic since the end of March 2020. EAS flights to/from OGS have resumed, though the airport's low-cost carrier, Allegiant Air, pulled out due to drastic reduction in passenger fares. Nevertheless, the Authority is moving forward and seeing some positive movement in spite of the pandemic setbacks.

- Bridge Traffic: Car traffic on the bridge has been reduced by approximately 85% throughout the pandemic. However, truck traffic, which began the fiscal year approximately 6% below the prior year has risen to 25% above pre-pandemic levels. Sustaining this increase in truck traffic will position the Authority to realize solid growth in revenue with the prior year increase in bridge toll fees when the border opens again to non-essential traffic.

The bridge painting and rehabilitation project has been able to proceed throughout this fiscal year without interruption. This will allow the project to be completed within the initial timeframe and will reduce any disruption of traffic on the bridge once the border between the US and Canada reopens.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements, Continued

(18) Fiscal Viability, Continued

- 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, the CARES Act included funds to be 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 Corporation's
 Total OPEB Liability and Related Ratios
 Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
Total OPEB liability:		
Service cost	\$ 78,382	59,382
Interest on total OPEB liability	57,534	82,152
Change of benefit terms	-	-
Differences between actual and expected experience	-	(89,656)
Changes in assumptions or other inputs	78,650	9,172
Benefit payments	<u>(97,583)</u>	<u>(86,744)</u>
Net change in total OPEB liability	116,983	(25,694)
Total OPEB liability - beginning	<u>2,070,173</u>	<u>2,095,867</u>
Total OPEB liability - ending	<u>\$ 2,187,156</u>	<u>2,070,173</u>
Covered payroll	\$ 2,081,138	2,244,733
Total OPEB liability as a percentage of covered payroll	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:

2020	2.74%
2021	2.27%

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 is presenting information for those years for which information is available.

OGDENSBURG BRIDGE AND AUTHORITY
 Required Supplementary Information
 Schedule of Authority's Proportionate Share of the Net Pension Liability
 Year ended March 31, 2021

	NYSERS Pension Plan					
	<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	0.0061217%	0.0062324%	0.0060744%	0.0056874%	0.0058747%	0.0061444%
Authority's proportionate share of the net pension liability	\$ 1,621,056	441,587	196,049	534,399	942,900	207,572
Authority's covered payroll	\$ 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	77.89%	22.37%	10.91%	29.80%	59.77%	13.90%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

* This schedule is presented to illustrate the requirements to show information for 10 years. However information is presented for those years that are available.

OGDENSBURG BRIDGE AND AUTHORITY
 Required Supplementary Information
 Schedule of Authority's Employer Pension Contributions
 Year ended March 31, 2021

	NYSERS Pension Plan										
	<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>	<u>2012</u>	
Contractually required contribution	\$ 290,190	284,583	263,565	266,194	245,451	265,038	232,880	380,261	251,072	290,699	
Contributions in relation to the contractually required contribution	290,190	284,583	263,565	266,194	245,451	265,038	232,880	380,261	251,072	290,699	
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-	
Authority's covered employee payroll	\$ 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	1,448,726	
Contributions as a percentage of covered employee payroll	13.94%	14.42%	14.67%	14.84%	15.56%	17.74%	15.55%	23.42%	17.75%	20.07%	